

Olympic Fever sweeps Seoul

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Islamic Jihad in Israel

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Frantic action in the Tel Aviv Stock Exchange yesterday as the bourse reflected plunging trends world-wide. (AFP)

Local capital caught up in panic

BY AVI TEMKIN
and SHLOMO MAOZ
Post Economic Reporters

The Israeli capital market yesterday was caught up in the panic gripping the West and reacted with sharp drops in the Tel Aviv Stock Exchange.

Shares which had no buyers fell by the maximum five per cent allowed under the TASE regulations for the first day of selling only. Only one share price rose yesterday; 429 other share prices dropped sharply. But the trend can be realistically examined only after trading today when the prices of shares for which there is no demand can fall by up to 15 per cent.

There was more redemption yesterday than expected of bank shares in frozen saving schemes, as investors tried to steer away from the dollar.

The market plummeted as worried investors, eyeing Wall Street, sold blue chip shares in what was described as panic trading. Most of the shares ended the day down by 5 to 7 per cent, the limit they could decline before automatically being stopped by stock exchange regulations.

Nati Shilo of the Tel Aviv Stock Exchange said Israeli investors were reacting irrationally to the crash on Wall Street and other Western stock exchanges. "I don't see any reason why the stock exchange there should have any effect on ours except psychologically," said Shilo.

TASE heads received phone threats from angry investors demanding that trading be halted. One caller said a bomb had been planted on the premises.

Developments abroad had a clear impact on the \$1.2 billion worth of arrangement bank shares that came up for redemption at the end of the month. Yesterday was the last day for holders of these shares to notify the banks whether they intended to redeem them. As the reports of the Wall Street crash spread, many investors rushed to the banks to ask for cash, despite previous plans to keep the shares.

At the end of the day, the Treasury estimated that instructions to cash shares were received for about 70 per cent of those becoming redeemable. Of these about half will be reinvested in savings schemes. Due to the uncertainty which set in, (Continued on Page 9)

Nakash said ready to give in

By MENACHEM SHALEV
Jerusalem Post Reporter

William Nakash's two-and-a-half year struggle to avoid extradition to France appeared yesterday to be ending as reports that his political support is waning and that Nakash himself has decided to give up his campaign.

The Jerusalem District Rabbinical Court yesterday decided that the order barring William Nakash from leaving the country will expire on December 1, and not March 1 next year, after Nakash agreed in principle to grant his wife, Rina, a divorce. A High Court petition has been prepared in the Justice Ministry asking that the Rabbinical Court's order be cancelled so that Nakash can be put on trial in France for the 1983 killing of an Arab. A Justice Ministry team headed by Attorney General Yosef Harish is slated to meet today to discuss whether the petition should be submitted after yesterday's development. Even if it is, the High Court is likely to await the Rabbinical Court's decision, senior legal sources said.

The spectre of an unprecedented confrontation between the religious and secular court systems has apparently deterred many of Nakash's supporters, informed sources said yesterday.

Nakash himself is reported to have told friends recently that he is tired of his campaign to stay here, and his surprising statements in the Rabbinical Court yesterday are taken as a sign of these sentiments.

After a five-hour hearing, Nakash expressed willingness to deposit a get (writ of divorce) with the court but wanted a bit more time before making a final decision. He is expected to announce the decision at a hearing scheduled for November 17.

Nakash said he would be willing to have the divorce carried out if he is sentenced to life imprisonment in France, and even if he is allowed to serve the sentence in Israel.

U.S. Navy escorts new convoy in Gulf

WASHINGTON. — The U.S. Navy began escorting a new convoy of reflagged Kuwaiti oil tankers through the Gulf yesterday, one day after the U.S. destruction of two Iranian oil rigs, the U.S. defence department announced in Washington.

Meanwhile, the Senate voted yesterday to halt a parliamentary delaying maneuver aimed at blocking a formal decision by the chamber on President Ronald Reagan's Persian Gulf policy.

The vote came shortly after Defence Secretary Caspar Weinberger hinted that more retaliation may be taken against Iran if that nation continues its attacks on merchant shipping.

In London, Secretary of State George Shultz said yesterday that the U.S. is not backing into war with its attack on two Iranian oil rigs in the Gulf.

"It was a well-timed, precise, restrained, definite response to Iranian attacks and most recently on an American-flagged ship," he told reporters after meeting British Foreign Secretary Sir Geoffrey Howe.

The convoy sailed as Weinberger warned there could be "additional responses" to any future Iranian attacks in the Gulf to show U.S. resolve to keep the waterway open to shipping.

The convoy, made up of two reflagged Kuwaiti ships — the Ocean City and the Gas King — and the guided missile frigate, the USS Ford, sailed from Kuwaiti waters around 6:30 a.m. (AP, Reuters)

(Iranian threats — Page 3)

Bar-Lev: Let daddy teach you driving

By JONATHAN KARP
For The Jerusalem Post

TEL AVIV. — Israelis should be allowed to learn how to drive from relatives and friends as well as in authorized driving schools, Police Minister Haim Bar-Lev proposed yesterday.

In a meeting with transport reporters, Bar-Lev strongly criticized Israeli driving habits, but he said that they could be improved by delegating driver education to permit licensed drivers to teach their friends, spouses and children.

"Why don't we use the U.S. method, in which a person takes his son (for example) out to a road and lets him take over at the wheel?" the police minister asked. "I taught my wife how to drive this way," he said, adding that he was living in the U.S. at the time.

Bar-Lev reported yesterday that the police handed out nearly half a million traffic tickets in the first seven months of this year. This number, 487,138, to be exact, means that every third driver and every second car in Israel were caught for moving violations.

Buckle up your seat-belt in town from November 1

The regulation enforcing the wearing of vehicle seat-belts in town for a six-month trial period commencing November 1 was approved in the Knesset Economic Committee yesterday.

But chairman Elihu Speiser who raised his hand in approval warned that the police lacked the manpower to enforce the new rule.

The police minister also reported significant increases in road accident figures during the first nine months of 1987. Deaths rose by 18.3 per cent over the same period last year, to 356 from 301, while serious injuries rose by 18.6 per cent, to 2,866 from 2,416. Pedestrians accounted for 156 of the fatalities and 40 per

cent of the injured, he said at a news conference here.

The total number of accidents rose by 5 per cent, Bar-Lev noted, but the number of fatal accidents dropped by 18.6 per cent, to 313 from 384, and serious accidents jumped by 17.7 per cent, to 2,220 from 1,886.

Bar-Lev blamed bad driving for the casualty toll on the country's roads, noting that more than one quarter of all accidents were caused by tailgating and failing to keep to the right on two-lane roads.

"The Israeli driver's mentality, as well as his driving knowledge, is bad," he said.

The police minister vehemently denied, however, that the establishment of a national traffic police force, chiefly to catch speeders, would significantly reduce the number of road accidents. He cited statistics compiled by his ministry to bolster his opposition to the idea, which is being promoted by the Transport Ministry.

Speeding led to 3.8 per cent of all road accidents in the first nine months of the year and to only 0.5 per cent of those accidents which occurred on good roads.

FOLLOWING FEDERAL RESERVE SUPPORT:

Wall Street bounds back, dollar firms in turnabout

By SHLOMO MAOZ
WOLF BLITZER, Washington
and Agencies

Wall Street rallied dramatically last night in reaction to a statement by U.S. Federal Reserve chairman, Allan Greenspan, that the Federal Reserve Board was ready to provide liquidity to support the U.S. economy and the banking system.

Greenspan's statement was regarded by financial observers as an essential step in promoting worldwide efforts to soothe the frantic exchanges around the world which had followed in the wake of Monday's Wall Street crash. It signalled the U.S. administration's determination not to permit a collapse of the U.S. banking and financial system, and thereby the global system, through a runaway drop in share prices.

The Fed board chairman's statement was designed to underline the U.S.'s post-war commitment to serve as a lender of last resort for the world banking system.

Although at first there were wild fluctuations in Wall Street prices when the market trading resumed yesterday, by midday the situation

seemed to have stabilized in favour of investors.

Following another day of frantic trading, the New York stock market yesterday rebounded somewhat from "Black Monday."

The Dow Jones Average of major stocks was up by 102 points on another day's record volume of some 600 million traded. On Monday, the market collapsed by a record 25 per cent, losing over 500 points.

The shift in the Wall Street trend came too late to save hundreds of billions of dollars worth of stocks being wiped out on world markets

Street share values see-sawed sharply.

The dollar hit 1.82 West German marks after several leading U.S. banks lowered their interest rates. It closed in London at 1.8090 after 1.7740 on Monday. Interest rate cuts normally depress currencies, but yesterday's cuts, which followed rises by some banks last week, reassured markets the world economy was unlikely to be restrained by higher interest rates, dealers said.

Gold prices slumped as jittery investors, uneasy about plunges on the world's stock market, dumped

Baker returned home yesterday morning to hold emergency talks in Washington about the worldwide stock market chaos.

President Reagan said that he was pleased with the reaction of some commercial banks to reduce their prime lending rates yesterday and he said that he sees room for a further decline in interest rates. He took off time from his regular schedule to meet in urgent session on the stock market developments. The president added that he saw no evidence that Monday's free fall and yesterday's continued market volatility would throw the country into a recession.

On Thursday Baker began a series of public attacks on Bonn's economic policy in which he accused the West Germans of violating the spirit of last February's Paris Louvre accord to stabilize currencies by pushing up domestic interest rates.

The share price collapse was triggered last Wednesday by disappointing U.S. trade figures but Baker's remarks unsettled the markets further.

Baker had said that, in the light of the West German rate rises, the Louvre agreement might have to be re-examined. The New York Times reported the U.S. may drive down the dollar if West Germany did not (Continued on back page)

Further world developments and analysis Pages 8 and 9

ranging from Australia through Asia and Western Europe. (See below).

The renewed confidence was bolstered by a joint pledge by West Germany and the U.S. to revive efforts to stabilize currencies after a barrage of U.S. criticism threatened global monetary cooperation and helped fuel the massive sell-off on world stock markets.

The dollar climbed steeply yesterday and gold took a dive towards the close of European trading as Wall

the metal and after apparently deciding it was not a safe store for their wealth.

Gold closed yesterday in London at \$461.50, \$20 lower compared with Monday's close of \$481.50 and that day's 4-1/2 year highs.

Bonn Finance Minister Gerhard Stoltenberg told a news conference yesterday that at a meeting here the day before with U.S. Treasury Secretary James Baker, the two had promised to work together to keep currencies around current levels.

World-wide crash subsides in New York

Share prices across the world were hit hard again yesterday.

A rally in some European markets, led by London, pared the recent losses a little. But as an early Wall Street rebound lost momentum, London slipped back and ended 12.2 per cent down — a bigger percentage fall than on Monday.

America called the tune, and others danced. "Everyone is very scared. All we can do is wait to see what happens ... on Wall Street," said a broker at Daiwa Securities in Tokyo.

Japan's day ended with almost 15 per cent of the value of the huge Tokyo market wiped away by a record sell-off that took the Nikkei 225-share index down 3,836 points to end at 21,910.

Hong Kong authorities simply closed the market there. Sydney and Singapore showed record falls.

Further losses were reported after the sun rose on Europe.

But then in some centres bargain hunters crept out, emboldened by the early rebound on Wall Street and signs that a feared rise in interest rates around the world would be capped — two U.S. banks rescinded earlier prime rate rises.

Rising interest rates would jeopardize already-sluggish economic activity, and stockbrokers cite fears on that score to explain why investors began bailing out of shares.

The London Financial Times/stock exchange 100-share index, after a 10 per cent fall on Monday, yesterday fell briefly 15 per cent more and reached a low of 1,748.

Then, in the afternoon, it rose fast to 1,985, but slid again, as Wall Street eased, finally ending at 1,801, down 250.7 or 12.2 per cent on the day. Paris also rallied, and its bourse indicator ended yesterday 0.79 per cent up on the day after being eight per cent down.

Frankfurt's Boersen-Zeitung in-

dex ended only 1.5 per cent down amid signs of recovery — "I just hope this continues tomorrow," a dealer there said.

The Amsterdam and Zurich markets also had erased some of the day's losses when they closed. Belgian shares ended firmer.

Irish shares tumbled 25 per cent and the Madrid index fell 5.73 per cent but brokers said the real position might be worse. "I would estimate that 95 per cent of sell orders were not executed for lack of buyers," said broker Diego Prada with finance house Invescor.

Earlier, as brokerages were left holding the shares which investors had unloaded, a London dealer said: "It's a bit like shovelling £50 notes down a mine shaft."

In addition to the bomb hoax at the Tel Aviv bourse there was a bomb hoax reported at the Lisbon bourse.

Meanwhile, European government leaders sought to reassure small private investors. The right-wing French and British governments are embarked on programmes to sell state enterprises to private investors while British Prime Minister Margaret Thatcher proclaims a goal of making Britain a nation of small shareholders.

French Prime Minister Jacques Chirac appealed for calm, and share-buying by French state-owned financial institutions helped prop the Paris bourse. Industry Minister Alain Madelin said France's privatization programme was safe because "the new shareholders have nerves of steel."

In London, Chancellor of the Exchequer Nigel Lawson said he had expected some correction after five years of "bull" or rising stock markets, but the falls of recent days were absurd.

United Israeli position emerging Shamir now leaning to Soviet peace role

Prime Minister Shamir is going to have some explaining to do in his own backyard, the Likud, in the wake of Secretary of State George Shultz's visit.

In his talks with Shultz, the prime minister was unrelenting in his opposition to an international conference. But he did agree to allow the secretary to examine with King Hussein and officials in Moscow procedural ideas in connection with the peace process which constitute a significant deviation from the mainstay of the Likud's peace plank, the Camp David accords.

Despite the relatively successful blackout imposed on the contents of Shultz's talks here, some details have emerged. Shamir has agreed in principle to a Soviet role in peace talks, despite the fact that there is no mention of the Soviets in the Camp David accords. And he has agreed that the agenda for any Jordanian-Israeli peace talks should include not only the interim solution — on which Labour and Likud do not differ much — but also the final disposition of the territories, a matter which, according to Camp David, was to be negotiated only three years after the autonomy had been set up.

ANALYSIS Menachem Shalev

Aides to both Shamir and Foreign Minister Peres have rejected any portrayal of the Shultz mission as shuttle diplomacy between the two party leaders. But the fact is that throughout most of the negotiations the two did not communicate nor did Israel's two chief policy-makers meet with Shultz in unison.

By nudging Shamir, Shultz has succeeded in forging a united and coherent Israeli position on peace talks for the first time since the international conference dispute flared up over six months ago. By all accounts, the hiatus has scant chance of lasting more than a few days.

Shamir, say insiders, wished to make a "gesture" to the Americans, particularly for Shultz. The secretary insisted that there might be a way around an international conference, but not around Soviet involvement. Shamir agreed to allow Shultz to pursue the Soviet angle, albeit within the framework of international auspices which would be co-set up.

Peres: Jordan influencing new Soviet Mid-East policy

By ASHER WALLFISH
Post Knesset Correspondent

There are clear signs of Jordanian influence on the new Soviet diplomatic positions regarding the Middle East, Foreign Minister Peres told the Knesset Foreign Affairs and Defence Committee yesterday.

He said that signs of the dialogue between Moscow and Amman, whose relations had become closer over the past year, became evident in the formulations which Soviet Foreign Minister Eduard Shevard-

nadze used at his meeting with Peres at the UN recently.

Whereas last year the Soviet foreign minister stipulated the participation of the PLO at an international conference, this year he used the term: joint Jordanian-Palestinian delegation, Peres told the committee.

The Soviet stance had evolved in other ways as well since his 1986 meeting at the UN with Shevardnadze, Peres said. Soviet leaders (Continued on Page 2, Col. 2)



Premier Shamir, accompanied by his daughter, Gilada, leaves Hadassah Hospital in Ein Kerem, Jerusalem after a cataract operation yesterday. (Nati Shochat, Scoop 81)

Shamir home after cataract operation

By JUDY SIEGEL

Prime Minister Shamir yesterday underwent a cataract operation at Hadassah Hospital in Ein Kerem, Jerusalem, slightly over a year after having the same operation on his other eye.

The operation was performed under local anesthetic by Prof. Hanan Zauberman, head of the hospital's ophthalmology department. Shamir

was well enough to return home a few hours after the surgery. He will probably wear dark glasses for a while to protect the eye from excessive light. He is expected to return to work tomorrow.

Shamir's wife Shulamit suffered a hairline fracture of her arm on Monday, after she slipped and fell in her living room. But she required only an elastic bandage.

14 die as jet fighter hits hotel

INDIANAPOLIS (AP). — A military jet crashed into a hotel here yesterday killing at least 14 persons after landing short of a runway at Indianapolis International Airport.

Up to 25 persons were reported missing and many injured after the plane crashed into the 220-room Ramada Inn just after 9 a.m. and exploded.

Up to 10 people were transported to area hospitals, said Larry Curl, a spokesman for the fire department rescue units on the scene.

The A-7D Corsair jet fighter was attempting to make an emergency landing after an engine flame out,

according to the federal aviation administration. It went down about 1.5 km. east of the airport, first hitting a bank building and slamming into the north side of the building.

The hardest hit areas were the second and third floors of the hotel, with the point of impact at the second floor, just above the main lobby. Black smoke poured from the building. The plane was wedged in the lobby area of the hotel.

The pilot of the plane, assigned to a test unit at Nellis Air Force Base, Nevada, bailed out before the crash and was taken to hospital.

The weather at major Swissair destinations

21.10.87	MIN	MAX	C	F	W
AMSTERDAM	08	13	58	55	cloudy
BRUSSELS	08	16	61	61	cloudy
BURKES AIRS	08	24	75	75	cloudy
CHICAGO	07	14	57	57	cloudy
COPENHAGEN	10	00	32	32	cloudy
FRANKFURT	08	11	52	52	cloudy
GENEVA	08	13	56	56	cloudy
HELSINKI	08	11	52	52	cloudy
HONG KONG	24	28	75	75	cloudy
JOHANNESBURG	11	22	72	72	clear
LEIPZIG	08	11	52	52	cloudy
LONDON	13	16	55	55	cloudy
MADRID	08	17	63	63	clear
MONTREAL	18	21	64	64	cloudy
MOSCOW	11	18	52	52	clear
NEW YORK	08	11	52	52	clear
OSLO	08	11	52	52	clear
PARIS	12	14	57	57	cloudy
SAO PAULO	18	24	63	63	cloudy
STOCKHOLM	07	13	55	55	cloudy
TOKYO	18	21	64	64	cloudy
TORONTO	08	11	52	52	cloudy
VIENNA	11	14	57	57	cloudy
ZURICH	08	11	52	52	cloudy

*For the latest weather conditions contact Swissair.

THE WEATHER

Forecast: Partly cloudy.

Jerusalem	Humidity	Min-Max	Today's
Jerusalem	45	11-24	24
Golan	36	13-25	25
Nahariya	37	13-22	22
Safed	37	13-22	22
Haifa Port	73	17-29	29
Tiberias	51	17-29	29
Nazareth	53	17-29	29
Afula	50	13-30	29
Shomron	36	13-26	26
Tel Aviv	62	18-26	26
B-Q Airport	57	15-27	27
Jericho	44	16-31	31
Gaza	66	17-25	25
BeerSheva	58	14-26	26
Eilat	39	19-30	30

SOCIAL & PERSONAL

Lucien Harris will speak today on his visits to Rotary Clubs in the U.S. at the weekly meeting of the Jerusalem Rotary Club at 1 p.m. at the YMCA.

Egyptian Ambassador Mohammed Bassiouny yesterday visited the Israel Aircraft Industries at Lod. He was given a tour of the aircraft maintenance and production facilities by IAI chairman Mordechai Hod.

Asher Meniv, 67

Jerusalem Post Reporter
Asher Meniv, Labour Party activist and kibbutz ideologue, died yesterday after a long bout with cancer. He was 67.

Meniv was born in 1920 in Leipzig, Germany and left for England with fellow members of the Young Maccabi youth movement just months before the outbreak of World War II. He married there and came "illegally" to Palestine in 1947 where he joined the Hagana.

Throughout his life in Israel, Meniv lived on Kibbutz Maayan Zvi, where he served more than once as secretary, and was active in the United Kibbutz Movement. He wrote extensively on socialism and politics, including three books, and once served as editor of *Migvan*, the Labour Party's monthly journal. Meniv also contributed frequently to *The Jerusalem Post*.

He is survived by his wife Lea and children Danny, Noga and Gila, all of whom live on Maayan Zvi. The funeral cortege is to leave the kibbutz at 4:00 this afternoon for Zichron Ya'acov.

SHAMIR

(Continued from page one)
chaired by the two superpowers and which would be distanced, in place and time, from the actual bilateral peace talks.

Shultz has agreed to press Israel's preconditions for Moscow's participation: the establishment of full diplomatic relations and a drastic change in its policy toward Soviet Jewry. He will also broach alternative ideas for the international forum. Observers believe that both Hussein and Moscow will reject the old/new ideas outright. Then, presumably, internal political rhetoric will be back at square one: the dispute over the international conference. Shamir will say that he's done his bit for peace. Peres will accuse the prime minister of scuttling the only viable avenue for talks and of imposing impractical conditions on Jordan and on the Soviet Union.

Peres is not enamoured with the international conference per se and, in any case, is in no position to appear as being "holier than the pope." The foreign minister was reportedly surprised by the headway made with Shamir regarding the Soviets and cannot object to any initiatives sponsored by Shultz.

On the internal political scene, Peres might not lose: If Shultz's probes are rejected, he will probably insist that he knew all along that they would be. If they show any sign of success, he can claim that Shamir was softened by American pressure and that, in any case, the initiative on the peace process is his. Shamir could cite Shultz's failure to advance his concessions as proof of Hussein's and Moscow's unwillingness to be constructive.

In the Likud, on the other hand, Shamir is in somewhat of a bind. His "gestures" toward Shultz were not mentioned at the Likud ministers meeting just prior to the visit, in which the Likud reiterated its unwillingness to commit to Camp David. The slowly emerging details of his agreements have already evoked grumbling which can be expected to grow louder.

Shamir's media advisor, Avi Pazner, yesterday rejected as "pure speculation" reports that Shamir had softened his stand on the international conference. He said that Shamir insists that only direct negotiations can lead to peace. Camp David was not mentioned.

Nonetheless, Shamir has lately shifted the tone and substance of his public utterances toward Moscow, most notably in his Knesset speech Monday. He is not happy with the constant portrayal of the Likud as "nay-sayers." He responded to signs that the Americans do not wish to exclude the Soviets from the peace process and, with a Soviet-American thaw in the offing, he sensed that a slight give is necessary so that Israeli interests will not get lost in the shuffle.

Insiders say that much of the heat in the dispute between Peres and Shamir over the international conference lies in the personalities involved. Perhaps Shultz succeeded in finessing that obstacle.

HOME AND FOREIGN NEWS

Porat adamant plan will end TV strike

By GREER FAY CASHMAN
Jerusalem Post Reporter

Broadcasting Authority Director General Uri Porat is determined to push through his recovery plan which he believes will bring an end to the current strike, now in its 15th day, and increase efficiency by reducing the IBA staff by 25 per cent.

Porat has asked Israel Television chief Haim Yavin and his Israel Radio counterpart, Gideon Lev-Ari, to submit by the end of this week outlines of how they intend to trim their respective staffs and how they intend to operate with as little damage as possible to programme schedules. Porat's plan calls for cutting 320 staff positions and for making use of sophisticated production equipment which has been lying idle for years.

The Histadrut has roundly condemned Porat's plan, saying that it goes against the grain of all work conditions and is not related to the dispute at hand. IBA journalists are

to hold a general meeting tomorrow morning at Beit Agron in Jerusalem to analyse and vote on Porat's plan. The National Association of Journalists, which initiated the strike, says that it will abide by the vote.

The Association yesterday reiterated its rejection of the plan to members of the Knesset Education Committee, which summoned both sides in the dispute to try to cast some light on what is becoming an increasingly cloudy situation. Many people inside and outside the Knesset cannot understand why there should be no radio or television when only the journalists are on strike.

The answer is that journalists in the Broadcasting Authority are not an independent sector. Various members of the production staff are tied to the journalists in terms of the union. For example, the person responsible for checking out the video cassettes of the feature films falls

classified as a journalist. Vacillating from one day to the next in his attitude toward the journalists, Porat chose not to side with them yesterday, and told the Knesset Education Committee that there was no precedent for linking the wage scale of a public body to that of the private sector. One of the key demands of the journalists is for parity with the print media. They have also said that they will not condone dismissals while the IBA continues to employ freelancers.

Strike committee spokesman Zvi Goren left the Education Committee hearing to meet with Communications Minister Gad Ya'acobi to ask him not to air news and actuality on the Second Channel. Ya'acobi agreed and said that the Second Channel will continue to screen only early evening feature films.

Yosef Mendelovich, head of the Soviet Jewry Information Centre

yesterday made a plea to resume radio broadcasts to the Soviet Union. Porat announced on Sunday night that broadcasts would not be renewed unless his plan was put into force.

Education Minister Yitzhak Navon was widely reported this week to be preparing to close down the Israel Broadcasting Authority as a result of recurring labour strife and to start a new broadcasting service from scratch. Legal observers noted, however, that Navon currently lacks the legal authority to close the IBA.

Navon had told Gali Zahal that he was not really anxious to close down the Authority, but he at least wanted the legal right to do so. Navon has been repeatedly frustrated by political inertia in his attempts to get rid of the unwieldy 31-member plenium of the IBA and enlarge its management committee from seven to a board of directors of 15.

Disruptions due today in nation's hospitals

By JUDY SIEGEL
Post Science and Health Reporter

Serious disruptions are expected at hospitals around the country tomorrow as hundreds of nurses attend an assembly to discuss ways of forcing the health authorities to abide by a contract signed a year ago.

Starting next week the nurses will begin working a "flexible, 36-hour work week," which was promised them when they ended their long series of strikes last October. By cutting their work week by four hours and refusing to work overtime, the nurses will force hospital directors to reduce patient admissions in most departments.

The nurses, whose leaders met at Sheba Hospital in Tel Hashomer yesterday, accused the authorities of "lacking a policy of responsibility for the health system, of overburdening the nurses and reducing needed manpower."

But they did leave open a crack in the door to the health authorities, saying that "the officials have enough time to find a solution" before the year-old contract is implemented unilaterally.

The nurses said their plans will be carried out with "military efficiency," and that each nurse will be told exactly when to appear at work and when to leave. They estimate that the number of nurses available at any shift will be cut next week by 25 per cent.

PERES

(Continued from page one)

would previously accept lists of refugees from third parties only but this time Shevardnadze gracefully accepted the list which Peres submitted.

"For the first time," said Peres "the Soviet Union recognizes Israel as a legitimate partner in the issue of Soviet Jewry."

He added: "Assuming that the U.S. and the Soviet Union reach a weapons limitation accord in about three months, we must ensure that before that deadline we make substantial progress on the aliyah issue."

Peres said that the right of Soviet Jews to emigrate must not be linked to the old system of affidavit requests by relatives outside the Soviet Union and that a system of direct flights to Israel must be instituted.

He said that Shevardnadze, who showed no hostility at the meeting, emphasized his readiness to put any topic on the agenda. Shevardnadze expressed appreciation at Israel's willingness to extend accreditation for the consular mission in Tel Aviv. Peres quoted Shevardnadze as saying that it was important "for Soviet public opinion to get used to the Soviet diplomatic presence in Israel."

Peres surveyed his meetings with a total of eight foreign ministers of countries which have no diplomatic relations with Israel: the Soviet Union, China, Poland, Hungary, Yugoslavia, South Korea and Nigeria.

Israeli lauds Egyptians for rescue from Sinai flood

By DAVID BAKER
For The Jerusalem Post

An Israeli tour guide yesterday praised Egyptian civilian and military personnel who rescued him and a group of foreign tourists trapped Sunday in a flash flood on the east Sinai coast.

"We were marooned and had no way out until they came to help us," Asher Assaraf, manager of Neot Hakikar Tours in Eilat, told *The Jerusalem Post*. "I can't express sufficient thanks to the Egyptians." He and his group of 17 Swiss and German tourists were rescued by an Egyptian Air Force helicopter in the early hours of Monday after an Egyptian guide trekked 20 kilometers in the dark to summon help.

The group had set out Sunday morning from Eilat for Santa Katarina and was to return the same day. At 5 p.m., near the Jorj six kilometres south of Ras Burka, they discovered that the coastal road northward to Israel had been washed out by the torrential weekend rains.

While fierce rains and winds buffeted the group's safari van, an Egyptian guide set out on foot through the storm towards Neiba 20 kilometers south. When he arrived there he contacted Orin Amir, a Neot Hakikar representative. Amir notified local Egyptian authorities, who made arrangements for the rescue.

At 4.30 a.m. Monday, an Egyptian Air Force helicopter touched down near the stranded van and airlifted the group to Tabá, at the Egypt-Israel border.

Itim reported yesterday that Israel informally gave Egypt permission over the weekend to send in military jeeps and helicopters to the flood-affected coastal strip in Sinai even though this was in excess of the force level permitted in the area under the peace agreement between the two countries. Israel had offered to send in its own equipment and personnel to assist in the rescue operation but this was declined by the Egyptians who had already turned to the multinational force in Sinai for assistance.

Meanwhile, the search continued yesterday in the Negev for a missing IDF officer, Seren Ahmad Farshi, who was swept away Sunday while attempting to rescue occupants of a car trapped in a flash flood.

High Court backs closure of sex shop

The High Court of Justice yesterday upheld a decision by the Ramat Hasharon Town Council to close a store selling sexual aids and pornographic literature on a main street. In rejecting the petition by store-owners Shulamit and Dov Yanovitz, the court said that in deciding whether to license a business the local council could consider the possible harm to the feelings of the local population.

The three-member panel accepted the local council's argument that because of its location on a major thoroughfare, the store would attract youthful passersby throughout the day, especially pupils from four nearby schools. Justice Gabriel Bach commented that the petitioners could open the store on a side-street. (Itim)



Shlomo Shirazi and companion outside the Jerusalem District Court yesterday. (Isaac Harari)

Allowed to play in Betar until sentencing

Soccer star convicted for illegal possession of weapon

Soccer star Shlomo Shirazi was convicted of illegal possession of a weapon yesterday in the Jerusalem District Court. He was ordered released on NIS 60,000 bail and placed under house arrest until sentencing. In the meantime, he will be permitted to join his Betar Jerusalem team for practice and games.

Shirazi admitted to possessing an IDF grenade that police found in his home earlier this month but said it had been planted under his car by people who had threatened his life. His lawyer told the court that he had been seeking a way to dispose of the grenade safely.

The prosecutor said Shirazi told police investigators that he had in-

tended to use the grenades to kill people who had threatened his life. Last year, Shirazi turned state's witness against a gang of robbers to which he belonged.

In his decision, Judge Shalom Brenner said that there was no clear evidence to substantiate either version.

Shirazi was pleased with the decision. "I missed not being with the team," he said. "Now I can go back to practicing and playing." Betar Jerusalem chairman Benny Nehemia pledged to the court that Shirazi would honour the terms of his house arrest and return home immediately after soccer matches. (Itim)

House joins Senate on closure of PLO's office in New York

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON.—By a voice vote, the U.S. House of Representatives yesterday joined the Senate in voting to shut down the PLO's office in New York.

The House voted to give "instructions" to close the PLO office to the House representatives who will attend a House-Senate conference committee to resolve differences in their respective versions of the pending State Department authorization bill.

Last week, the Senate adopted a formal amendment to the bill which would mandate the closure of the New York office. That amendment was introduced by Republican Senator Charles Grassley of Iowa.

Republican Representative Jack Kemp of New York yesterday introduced the motion to instruct the House conferees to support the House amendment when they iron out the final language of the bill in the coming weeks.

Last month, the State Department announced that it would shut down the PLO's information office in Washington but would allow the New York operation to remain

open. U.S. officials cited America's responsibilities as "host nation" to the UN, where the PLO has formal observer status.

The administration had hoped that the unilateral decision on the Washington office would curtail the effort in Congress to close both offices. Administration officials had indications from American Jewish activists that they would be satisfied by the closing of the Washington office alone.

But Grassley and Kemp, on their own, decided to press the issue further.

Administration officials strongly opposed the Grassley and Kemp motions, but their efforts against them failed.

Assuming the House-Senate conferees go ahead with the Grassley amendment, and President Reagan signs the State Department authorization bill into law, the U.S. will have no choice but to close the PLO's operation in New York.

Reagan could veto the legislation, requiring a two-thirds override by the Congress to make it the law of the land. But that is unlikely, according to observers here.

Dispute in Labour Party over top campaign post

By MENACHEM SHALEV

Labour Party leader Shimon Peres and secretary-general Uzi Baram were slated to meet late last night to discuss a heated dispute emerging in party ranks over the chairmanship of its election campaign.

Relations between Baram, who was promised the post several months ago, and Energy Minister Moshe Shahal, who had sought it, have deteriorated recently. Baram informed Peres several weeks ago that he would not accept the post unless it entailed total decision-making authority over the party's election campaign, including the actions of Peres's personal staff. Peres

has resisted the move.

Despite his promise to Baram, and in the wake of his disagreements over authority with him, Peres is said to prefer Shahal for the post. Rumours of a campaign to appoint Shahal created tension yesterday in party headquarters in Tel Aviv. Shahal has said recently that he would not accept any post in Labour's election campaign, but his statement was made when Baram appeared to have the post sewn up and is not taken seriously by party insiders.

The post of campaign chairman is considered to be powerful but risky: success insures significant political advance, failure could condemn the holder to oblivion.

Plan to charge yeshiva students for attack on Old City Arabs

By ANDY COURT
For The Jerusalem Post

The Jerusalem police plan to charge three yeshiva students with assaulting Arabs in the Moslem Quarter of the Old City on Monday, a high-ranking police official said yesterday.

The three students, reportedly from the Shvut Banim yeshiva in the Moslem Quarter, were arrested Monday after four Arabs were injured and store windows were smashed not far from the site of the murder of Shvut Banim student

Eliahu Amedi last November. Arab eyewitnesses say that a group of about 10 students beat Arab shopkeepers and passersby on the head with iron bars. Four Arabs, including two elderly men, were treated in the hospital Monday for head wounds and bruises.

In a separate incident, Jerusalem police yesterday arrested an ultra-Orthodox man who allegedly attacked a Canadian tourist visiting the Mea Shearim neighbourhood with his wife on Monday. The motive for the attack was not clear.

Katyusha barrage causes no damage

By YOEL DAR
For The Jerusalem Post

SAFAD.—Several Katyushas fell inside the security zone in South Lebanon on Monday night, military sources said yesterday. There were no casualties or damage.

The South Lebanese Army returned fire.

Some of the rockets landed near Hasbaya, where the Norwegian UN-iff contingent is stationed. The shelling follows 10 days of calm in the security zone.

Equal opportunities bill passes hurdle

By DVORAH GETZLER
AND ASHER WALLFISH
Jerusalem Post Reporters

Sexual harassment of women at work will become an offence under a broad new law providing for equal work opportunities for men and women. The bill, sponsored by the Alignment's Ora Namir, the Likud's Sarah Doron, and the Citizen Rights Movement's Ran Cohen and Shulamit Aloni, incorporates other legislation proposed by Labour and Social Affairs Minister Moshe Katav, and passed its first reading yesterday.

But Namir, who introduced the bill in the plenium, told *The Jerusalem Post* that she anticipates energetic lobbying by industrialists against its passage.

Women will no longer be confined to low status jobs, if all the bill's anti-discrimination clauses become law, Namir said. The Social Affairs Ministry and its inspectors will be charged with enforcement of the law.

Committee needs teeth
The Knesset's State Comptroller's Committee is in a bind. Charged



with probing matters raised by the comptroller, it is at the mercy of officials employed by the bodies under scrutiny, and these officials may be tempted to lie, committee chairman MK David Liba'i told the Knesset yesterday. Officials are under no legal obligation to tell the committee the truth.

Liba'i appealed to the Knesset to pass a law empowering it to swear in witnesses and thus make them legally answerable for the veracity of their testimony.

The Knesset, Liba'i urged, must refuse to fund or severely trim the budget of any public body that fails to respond to the comptroller's criticism and to right the wrongs pointed out.

Remission of sentences
Seven MKs have tabled a private member's bill that would release a large number of imprisoned crim-

Israeli cars stoned in West Bank

Palestinian youths hurled stones at troops and Israeli cars in several West Bank locations yesterday, smashing the window of a vehicle near the town of al-Khadr south of Bethlehem, military sources said.

Stone-throwing incidents were reported in Jelazoun and Tulkarm, and protesters burned tires on several roads.

Kasparov levels score

SEVILLE. (AFP) — Defending champion Garry Kasparov levelled the score in his world chess championship match at Seville, southern Spain, yesterday, when the challenger, Anatoly Karpov, resigned in the fourth game.

With great sorrow we announce the death of our beloved husband, father, grandfather and Kibbutz member
ASCHER MENIV (Mansbach)
following a prolonged illness.
The funeral will take place today, Wednesday, October 21, 1987, Tishrei 28, 5748, leaving the Kibbutz entrance at 4:00 p.m.
The Meniv Family
The Sivan Family
and Beit Ma'ayan Zvi

A memorial service for
ANNE LEWIS ז"ל
will be held at her graveside at Kibbutz Ketura at 3 p.m. October 28, 1987, Heshvan 5, 5748
A memorial programme will be held at 9:15 p.m. at the Cultural Centre.
Schmidt, Falkof and Lewis families,
Kibbutz Ketura

הקדמה מאלו

EXPERTS EXPECT LIMITED RETALIATION

Iran vows vengeance for U.S. Navy attack

NICOSIA (AP). — The speaker of Iran's parliament, Hashemi Rafsanjani, declared yesterday that Iranian retaliation for the U.S. Navy attack on its gulf platforms will be unleashed "in the coming days."

He told Iran's Majlis, or parliament, in an open session broadcast by Tehran Radio and monitored in Nicosia: "We will act according to our responsibilities in the coming days and we'll make the U.S. regret its action." Rafsanjani, considered the most powerful figure in Iran after Ayatollah Khomeini, is the aging patriarch's representative on the Supreme Defence Council, which decides Iran's military strategy in the seven-year-old war with Iraq.

"We have said we will not let any aggression go unanswered. This is not a threat but a reality, we have proved this in action and we stand by our policy which is an Islamic principle," he said.

Rafsanjani's comments echoed other Iranian leaders that underlined Western analysts' assessment that the confrontation with the U.S. has forced Tehran's rival factions to set aside their political and ideological differences and present a united front.

The official Islamic Republic News Agency, monitored in Cyprus, quoted President Ali Khamenei as warning that Iran "will give such a response" for Monday's attack by four U.S. destroyers, that the Americans will be dragged "into even deeper trouble" in the strategic waterway. Khamenei, Iran's two-

term president, is a rival of Rafsanjani's in the jockeying for power in Tehran when Khomeini, now 87 and ailing, dies.

In Damascus, visiting Iranian Prime Minister Hussein Musavi declared: "We will retaliate for this aggression in the proper manner." He said Washington had told Iran through diplomat channels that the naval shelling on Monday was "the last operation... and we want Iran not to retaliate, so that this matter can come to an end." But he stressed: "We are not lackeys of aggressive policies."

None of the Iranian leaders gave any indication how Tehran will respond for Monday's attack, the third time the Americans and Iranians have clashed in the last month. But analysts believe the Iranians, reluctant to take on U.S. firepower while battling Iraq, will resort to more mine-laying in shipping channels, hit-and-run attacks on tankers by revolutionary guards in speedboats and possibly terrorist attacks on U.S. interests.

In the war with Iraq, the Iranians appear to be massing troops in the southern sector of the battlefield for a new offensive on Basra, Iraq's second largest city, and would not be expected to fight on two fronts if it could be avoided, the analysts said. They noted, however, that both Iran and the U.S. have so far engaged in what one termed "a step-by-step escalation of action" that could eventually lead to a direct confrontation.

Ukrainian executed for war crimes

MOSCOW (AP). — A court at the Ukrainian city of Kamen-Kachirski has sentenced to death Ivan Goncharuk who was found guilty of war crimes during the Second World War. Tass news agency said yesterday.

"The packed courtroom welcomed the just verdict with satisfaction," the official Soviet agency added. "The assassin Ivan Goncharuk

was sentenced to be shot." Tass said the defendant, whose age was not given, had joined a "rebel army of bourgeois Ukrainian nationalists" in 1944. It said that Goncharuk was captured but managed to hide terrible crimes from justice, and hid after having served his sentence. Tass added that he was recognized, however, and new evidence was found.

Kremlin releases Lithuanian 'false priest' from labour camp

MOSCOW (AP). — A Lithuanian Roman Catholic priest sent to a labour camp for holding an unauthorized religious service was released in poor health and weighing less than 90 pounds (36 kg.), said a religious activist.

Alexander Ogordnikov of Moscow said he received word by telephone from Vilnius, the capital of Lithuania, that Jonas Matulionis had been freed recently from a camp in Siberia.

Matulionis was arrested in 1984 for conducting an unsanctioned service, and sentenced to three years in prison. Ogordnikov said in a telephone interview Monday.

The Lithuanian was initially freed this summer from a camp in the Ural Mountains, but was later rearrested. "Officials claimed he had been released incorrectly under amnesty," said Ogordnikov.

According to the Lithuanian Information Centre of Brooklyn, New York, Matulionis had been warned by Soviet authorities against functioning as a "false priest without registration papers" because he had taken his vows at an unauthorized seminary.

Matulionis entered the secret seminary after being denied entry to the officially sanctioned seminary in Kaunas, the centre said.

Moscow Succot marked in open air

By HAIM SHAPIRO
For the first time in six years, Jews in the Soviet Union marked a Jewish holiday in the open air, a spokesman for Soviet immigrants in Jerusalem said yesterday.

The spokesman said that about 150 people went to the woods outside Moscow on Sunday to mark the end of Succot. Previously Jewish activists had marked every holiday in this way until they were stopped from doing so by the police.

This year the police were present, but did not interfere in the festivities. Observers said that about two

thirds of those present were Jews who had not previously been active in refusenik circles.

In other developments, Dr. Yevgeny Lein, a former prisoner of Zion, recently received yet another letter denying him the right to emigrate. Anna Kholmiansky, the wife of prisoner of Zion Alexander Kholmiansky, has begun a hunger strike on behalf of her husband.

The physicist and Hebrew-school director who is being permitted to leave the USSR is Eliezer Yuzefovich, and not as reported in *The Jerusalem Post* on Sunday.

Prospects to end of war in Nicaragua seem brighter

By HUGH O'SHAUGHNESSY
MANAGUA. — In the year of their 18th birthday, a score of Xavier Llasera's sixth-formers go off to the Nicaraguan army. Most are back two years later to study for their final exams. Some return on crutches; a few never come back.

"It certainly gives the 16-year-olds something to think about," says Father Llasera, a cheerful, chubby, white-haired Spanish Jesuit who is headmaster of the Colegio Centroamericano, the best school in Managua. "The quiet ones become quieter, some are afraid and everyone does a good deal of thinking."

A mixed, fee-paying school with 1,900 pupils, catering to the cream of Nicaraguan society, the Centroamericano is set in magnificent lawns and impeccable tropical gardens laid out tastefully on the slopes overlooking Managua's lakes and volcanoes.

The Nicaraguan army has for long been getting the upper hand over the Contras and the award of the Nobel Peace Prize last week to the Costa Rican president, Oscar Arias, for his regional peace plan means that the prospects for the political collapse of the Contras and an end to the war are much brighter.

Nicaragua badly needs the relief that Arias's peace plan will bring. For most Nicaraguans, particularly the inhabitants of the capital, the pips are squeaking. The fabric of most things in Nicaragua — except the army — is crumbling fast.

"You see that woman with the basket on her head selling chewing gum? She's earning more than my minister," said the economic adviser at one government office. Galloping rises in the cost of living, shortages and the dislocation caused by the war and the Sandinistas' own mistakes have ravaged the economy and stretched people's patience to breaking point.

The Contras' tactic of killing civilians in the coffee-growing areas near the Honduran border has hit the country's main export hard. With falling exports the Nicaraguans cannot afford to import much and, with the U.S. market closed to them, they cannot get the spares needed to keep their U.S. vehicles and machinery going.

The Russians, suspicious of the Sandinistas' ideology and anxious not to imperil the prospects of a disarmament deal with Washington, have said they take no responsibility for protecting Sandinismo.

The private motorist saw his monthly ration of petrol cut by three gallons to 17 gallons this month and there are queues for irregular supplies at petrol stations. The prices of some 50 staples are kept regulated and doled out to workers at special stores and no one starves.

But prices in the free market have soared beyond the reach of anyone trying to live on a fixed salary, particularly in the civil service. As a result, the best people are leaving the government and joining the thriving private sector.

(London Observer Service)



The British tabloids have once again come up with stories about a marriage crisis between the Prince and Princess of Wales suggesting that the heir to the British throne is conducting a romantic affair, this time with Australian-born Lady Dale Tyrone, seen in a file photo, right. Prince Charles and Princess Diana have not been photographed together since September 16. (Reuters)

Aquino declares war on challengers to her power

MANILA (Reuters). — Philippine President Corazon Aquino declared war on her military and industrial enemies yesterday and pledged a new order of tough and decisive rule.

In a wide-ranging speech to businessmen which was punctuated by cheering and wild applause, she met her critics head-on.

"All those who have openly challenged my power, authority and resolve... have suffered for it," Aquino declared.

"Still you ask, can she hack it, is she weak? Again I say, let my scattered enemies answer that," the 34-year-old president added.

She vowed to clean up the country's inefficient monopolies, end illegal strikes and revitalize the drive against government corruption.

The fight against Communist insurgents and military rebels would be pursued without let-up and any new coup attempts would be suppressed, she added.

Four hours before she spoke, a small explosion inside the Congress building occurred. The blast was the latest in a series of incidents and rumours that have kept Manila on edge and troops on red alert since military rebels almost toppled Aquino in a bloody August 28 revolt.

"It is not in me to ever yield," the president said as she swore to Congress.

to fight back against the military rebels who have launched five coups against her in the past 20 months.

"They think their coups, bombings and assassinations will break the people's resistance to their brand of government and make them accept peace and quiet at any price," Aquino said.

Ferdinand Marcos had tried a similar approach. "I invite (coup plotters) to look at their mentor in Hawaii and contemplate his fate," she said to cheering and foot-stamping applause.

She pledged to be a one-member "action committee" and gave Manila officials a week to clean up the capital's garbage-strewn, potholed streets, ordered the national telephone monopoly to attend to all faults within 48 hours and said the rickety power system would be investigated.

Bogota bomb injures 7

BOGOTA (AP). — A previously unknown rebel group calling itself the Popular Insurgency (IC) claimed credit late Monday for a car-bomb explosion that injured seven people and destroyed 16 automobiles outside the Ministry of Defence during the evening rush-hour.

Indians bogged down at Jaffna, airlift in 6,000 more troops

NEW DELHI (Reuters). — India has airlifted up to 6,000 troop reinforcements to Sri Lanka, airline and defence sources said yesterday.

Several domestic Indian airlines flights were cancelled or rescheduled to release a Boeing 737 to ferry troops to Sri Lanka, where Indian forces are battling Tamil rebels for final control of their Jaffna stronghold, an airline source said.

A defence spokesman in New Delhi denied an airlift to Trincomalee in eastern Sri Lanka was continuing, but military sources in Madras said several flights were being operated from the south Indian city.

They said two brigades totalling 4,000 to 6,000 men had been sent to bolster India's combat troops since last Thursday.

Newspaper commentators and political observers in Sri Lanka have questioned India's statement that it has 14,000 troops in the island and say the figure could be more than 16,000.

Tension soared elsewhere on the Indian Ocean island after 40 Tamil refugees from the battle zone and one Indian soldier were killed when a landmine set by Tamil Tiger guerrillas missed an Indian vehicle and blasted a passenger bus.

As the Tigers appealed to the international Red Cross in Geneva to probe what they called heavy loss of civilian life in Jaffna, Sri Lanka's government sought to prepare the population for further fighting in the shell-shattered city.

"The scanty reports made available from the front suggest the going has been by no means easy for the advancing Indian troops... Indian troops are engaged in a serious effort — at enormous cost — to combat the Tiger menace," the state-owned *Daily News* said.

India qualified reports it had captured the centre of Jaffna on Monday with an admission that its 8,000 troops were still facing "stiff opposition" from guerrillas refusing to disarm and give up a separatist struggle.

"In spite of stiff opposition from the LTTE (Liberation Tigers of Tamil Eelam), the peacekeeping force successfully destroyed heavily fortified bunkers with underground rooms," state-owned All India Radio said in a report monitored in Colombo.

Bullets spewed from hidden gunnests in mud and brick alleys as the guerrillas, refusing to disarm, bat-

tled Indian troops backed by armoured cars and mortars, residents fleeing the area said.

The radio said the troops, enforcing an Indo-Sri Lankan peace pact, were consolidating positions but made no mention of an Indian External Ministry statement on Monday describing them as mopping up after taking central Jaffna from the 2,000 Tiger defenders.

An Indian ship with 630 tons of food and medicine was due to sail from India in the next day or two to help about 300,000 refugees who have fled the northern Jaffna peninsula where the city of the same name is located, the radio said.

In a detailed statement that reached Reuters in Colombo on Monday, the Tigers listed incidents of rape, killing and bomb attacks on civilian targets they said were carried out by Indian troops in the first three days of the Jaffna assault.

It said the Tigers had killed an unknown number of Indian troops and had taken 18 or more alive.

India denies committing atrocities. It says 102 of its men and 527 Tigers have been killed and that some Indian soldiers have been captured.

London readies Ripper centenary

By DAVID HOROVITZ

Jerusalem Post Correspondent
LONDON. — Ninety-nine years after Jack the Ripper stalked the foggy, gaslit streets of Aldgate and Whitechapel, murdering and mutilating five East London prostitutes in a 10-week spell of frenzied brutality, the British fascination with the elusive killer remains as strong as ever.

As London prepares for the morbid celebration of his centenary — with the Jack the Ripper pub concocting a "Ripper Tipples" cocktail in his honour, and Michael Caine starring in a TV series devoted to his exploits — no less than seven books have emerged with differing theories on his identity.

The prime suspect, as ever, is one Montague John Drutt, a 41-year-old doctor whose body was found floating in the Thames seven weeks after the killings, and whose family, according to all sorts of "private information" mysteriously acquired by the latest crop of "Ripperologists," knew him to be sexually insane and believed him to be the murderer.

Those who discount Drutt seem

to do so on the basis that he appeared in a cricket match just six hours after one of the killings — murderers, apparently, simply do not play cricket.

Which brings us to the second favourite suspect, a Polish Jew named Kosminski, resident in Whitechapel at the time of the killings, and said by several of the authors to have become "insane owing to many years of indulgence in solitary vices."

According to the notes of Sir Melville MacNaghten, the police assistant commissioner who tried in vain to track the Ripper down, this Kosminski fellow "had a great hatred of women, especially of the prostitute class, and had strong homicidal tendencies."

MacNaghten's notes are reproduced in Donald Rumbelow's 1976 book "The Complete Jack the Ripper," which seems to have been used as a starting point by many of this year's sleuths. From Rumbelow we learn that Kosminski was a "strong suspect" in the killings by "many circumstances" — circumstances which the eminent commissioner

unfortunately neglected to note down.

The Jewish angle ties in well with the theory that the killer was a *shoche't* (a ritual slaughterer) or at least had some experience of *shehita*.

When all the hundreds of thousands of words written about this case have been read, however, the fact remains that there is little by the way of hard evidence to link the killings to Drutt, Kosminski, Ostrog, Kosowski, Pedachenko or any of the dozens of other suspects whose names appear in one volume or another.

Theories range from Queen Victoria's grandson Prince Edward to Sir Arthur Conan Doyle, and it is Terence Sharkey who perhaps pursues the best approach to the Ripper mystery: his "100 Years of Investigation" lists almost all the conceivable suspects and leaves the reader to make the choice.

Rumbelow, fantasizing in a recent interview on the day when God would name the culprit, said that the likely reaction to the divine revelation would be a chorus of "Who?" from a host of disappointed authors.

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Kosher cuisine will help Israeli athletes avoid eating dog

Seoul single-mindedly set on Olympics

Seoul, a bustling city of nearly 10 million people, has caught Olympic fever.

Construction work goes on 24 hours a day. The high-pitched whine of power drills and the metallic clang of hammers pounding on steel girders rise above the sound of the mid-day, bumper-to-bumper traffic and overwhelm the pre-dawn hours. Always, there is something to remind the visitor: Seoul is the proud host of the 24th Olympiad.

Citywide, large digital clocks count down the number of days before the opening ceremony, which will take place on September 17, 1988. The *Hodori* tiger, official Olympic mascot and a Korean folk figure, stalks pre-Games visitors from almost every wall and every corner. The tourist information booths are manned and ready. White-gloved cleanup crews patrol the streets, every scrap of loose paper snared. The city is spotless.

To the north, Seoul's Communist neighbour is also preparing for the Games. South Korean Olympics officials fear the "Pyongyang regime will try to disrupt the Games by any means to justify its unprecedented demand to co-host the event."

The north is currently building a controversial dam just above the border. South Korean officials fear the project is designed to allow the Communists to flood key Olympic sites. The south has begun building its own dam as high-tide insurance.

Seoul Olympic Committee (SOC) president, Park Seh-Jik, has declared there can be no question of co-hosting the Games. However, Juan Antonio Samaranch, president of the International Olympic Committee (IOC), has offered to move three full events and parts of two others to the Communist north.

Samaranch adds that the Soviet Union, China, East Germany and other major Communist countries have said they intend to take part in the summer Games, despite North Korea's call for a boycott. The only nations backing the north's demand, according to Samaranch, are Cuba,

Angola and Nicaragua. The IOC has offered North Korea table tennis, women's volleyball and archery, plus some soccer games and a cycling race. The rest of the 23 events will be at Seoul, which has spent \$3 billion on the Games. An answer from Pyongyang is expected "soon," IOC officials say.

In the South Korean capital, the struggle of politics has taken a back seat to the struggle of preparing for the Games. Once known as the "land of the morning calm," the country is abuzz with excitement and activity.

Restaurant owners are scrambling to have their menus translated into English. The system of having the customer order by pointing to the meat in the window is considered inappropriate. Few restaurant workers speak English.

A group of journalists spent one afternoon braving the packed Korean sidewalks in search of authentic native cuisine. The bill came to 5,000 won (\$6) apiece and the food was "great." It wasn't until leaving the restaurant that an Italian reporter discovered the danger of ordering by sight. The eatery specialized in serving dog.

Kosher dining, outside of vegetarian fare, is impossible. The only thing Koreans consider *treif* is not eating with chopsticks.

However, Uri Afek, Israel's Olympic Committee director general, says steps will be taken to ensure that Israeli athletes have kosher facilities and a place to observe Yom Kippur, which will fall on September 21.

"We've put in a request for kosher food and a special synagogue inside the Olympic Village," says Afek. "They [Seoul officials] say it won't be a problem."

Afek expects between 12 and 18 Israelis to participate in individual

Olympic events. He is less optimistic concerning team sports, giving the soccer squad a fair chance of qualifying and the basketball players almost no hope at all.

At sea, an Israeli impact has already been felt. Recently, sailors Yoel Sela and Eldad Amir captured the silver medal in the Flying Dutchman class of the pre-Olympic sailing competition in Pusan. At one point the pair led in the standings but fell behind in the tail-end of the six-race series.

Between events, Israeli seamen and landlubbers will, no doubt, tour Seoul, a city founded in 18 BCE. In its heart is Myeongdong, the centre of the high-fashion district. Overhead, construction workers man scaffolding, sometimes dropping small pieces of cement and plaster on the crowds below. Bargain-hunting shoppers keep one eye on the shop windows and the other above.

Nearby are the city's top department stores, the Lotte and the Shinsegae. Their "high-priced" merchandise can be bought at half the cost throughout the city, locals claim. But the well-stocked shelves contain shoes, clothing, sports equipment, and anything else a buyer could buy or a consumer could consume at less than half the price in Israel.

To the east is the It'aewon shopping area. Unfortunately, between Myeongdong and It'aewon are the tennis-ball-on-a-string-vendors. These young entrepreneurs paddle their trade despite the hundreds of thousands of people that literally cross their paths daily. Many a near miss are "discussed," as the tethered ball reaches out again and again into the crowded, shopping masses. But hits are few and far between.

The It'aewon district caters to foreigners. American currency is ac-

cepted and English is spoken in many shops. Custom-clothing shops highlight the area, along with massive underground arcades and small specialty shops.

Lining Seoul's streets are vendors, selling everything from barbecued squid to coffee mugs. French fries are also a local favourite.

For those uncomfortable times when English isn't understood (not to mention Hebrew) and hand signals won't do, the SOC has issued a list containing useful Korean phrases.

For example, *kajang choun kwangwang kossurul allyo chugessumnikka?* means, "Can you tell me the best sightseeing route to take?" And *menupanul poyaju-shipsio* means, "Give me a menu, please."

However the "helpful" guide does not tell you what to do if the answer to your question is in Korean or the main dish on the menu is *chonhwa sayongbopul garcho*.

Meanwhile, work at the Olympic Park is almost complete, with only the indoor swimming pool unfinished. More than 13,000 athletes are expected. South Korean officials predict it will require about 72,000 people to run the Games.

The park covers almost 1.7 million square metres. It's located 14 kilometres from downtown Seoul and contains the swimming, fencing, weightlifting, tennis, gymnastics, and cycling sites. Next to the park is the Olympic Complex, covering more than a million square metres and featuring the 100,000-seat Olympic Stadium.

During the 16 days of the Olympics 237 events will be held. Table tennis and tennis will make their debuts as official sports. Baseball will be a demonstration sport, and badminton and bowling events are on the programme as exhibition

competitions. South Korean officials boast that the Games will require no less than 896 pieces of special equipment, 34 competition sites and 72 training facilities.

Dwarfing the preparations for the athletes however, are the preparations for the press.

More than 11,700 journalists are expected to invade Seoul. Almost as many reporters as participants, noted an Olympic official. To meet this horde, South Korea has built press conference rooms, a photographic developing laboratory, a communications centre and an entire videotaping facility. Officials are even providing a camera-loan service for those photojournalists who come unprepared.

When the Olympic torch arrives and the Games begin, one of the most impressive aspects of extravaganzas will go unnoticed by television viewers: on-site technology.

Experts in the telecommunications field believe the 1988 Summer Olympics will go down as the hi-tech Games. Located at each competition site will be a "Games Information On-line Network" monitor which is linked to a central computer. Officials say the system will deliver results within five minutes after they are announced. In addition, they claim the network will provide start lists, other Olympics information and has colour graphic capabilities.

The Seoul Games, following the Tokyo Olympics, mark the second time the competition has been held in Asia.

SOC chief Seh-Jik places the political significance of holding the Games in South Korea on par with the importance of the Olympic competition itself.

"Korea is one of the few countries ... that still suffers from the pain of territorial divisions," he said. "So the Seoul Olympics will provide an opportunity for the East and West to meet in harmony, transcending the differences in ideology, race and wealth. They will also become a festival of mankind."

Arab sector strike possible over debts

By ELAINE FLETCHER and YOEL DAR

Arab municipal leaders are gearing up to protest a new Ministry of Interior plan that would cover the deficits of the 12 most financially-troubled Arab towns and villages in the country but would leave 32 other municipalities in limbo until more money becomes available.

The leaders have threatened to "turn in the keys of the municipal offices" to the Interior Ministry if more financial help isn't offered. The leaders will meet Saturday in Shfaram to consider other protest actions, including a general strike in the Arab sector and a truck and car convoy to Jerusalem.

But ministry officials contend that the Arab municipalities are being treated in exactly the same way as are small Jewish towns and villages with similar problems.

"We can't deal with all the municipalities at one time," said one ministry source. "In the Jewish sector, we're also doing it group by group. The process is very long and it takes a great deal of money. We aren't discriminating."

The ministry source acknowledged that the Arab municipalities receive smaller allocations than do Jewish towns and villages. But he also noted that Arab sector allocations had been increased this year

despite the cuts in the Jewish sector. Interior Ministry officials are also reportedly disturbed by the fact that some Arab towns which have received allocations to cover past years' deficits continue to be in the red.

"Until 1984, we completely covered the deficits of the Arab sector municipalities. That's something we didn't do for the Jewish sector," said the ministry source. "Still, when year after year, there are councils that generate new deficits, it's not encouraging to us or to the minister of finance."

Mohammed Ibri Nasser, local council head in Araba, said that the continuing deficits "are not our fault. It's the fault of the discriminatory government policies. We have a budget that fails to answer a basic minimum of demands."

Nasser said Arab municipal leaders would prefer to see the government cover just part of the deficits in all of the Arab communities, rather than select 12 local councils for special treatment.

He said there were fears that some communities would receive financial help for political reasons, rather than because of need.

Arab leaders claim they would require some NIS 50 million to cover the municipal deficits.

World renowned cellist Jacqueline du Pre dies

By DAVID HOROVITZ

LONDON.—Jacqueline du Pre, the distinguished cellist whose career was cut short 14 years ago by multiple sclerosis, died in London on Monday night. She was 42.

One of the greatest ever British instrumentalists, du Pre took up the cello at the age of five and gave her first public performance a year later.

In her teens she studied in London, Paris and Moscow, under Tortelier and Rostropovich, earning the nickname "Smiley" for her infectious good humour.

On her Royal Festival Hall debut, at the age of 17, du Pre gave an impassioned performance of Elgar's Cello Concerto, a piece she virtually made her own, and for which she is credited with the best recorded interpretation. That debut brought her an immediate host of followers, among them the anonymous owners of a London instrument showroom who presented her with a 1672 Stradivarius.

The first signs of the progressively crippling disease came during a concert in New York in 1970, when du Pre suddenly lost all feeling in her fingers. When her doctor advised her to give up performing, she told friends she hoped she would soon be back on the concert platform, but she was unable to return, and devoted herself instead to teaching.

Married to pianist and conductor Daniel Barenboim, she was awarded the OBE in the 1976 Queen's Birthday Honours' List.

She accepted her illness with outward calm, and said once that since she had recorded most major cello works by her mid-20s there was little left for her to achieve.

"I've led a very fulfilled musical life," she told a BBC interviewer some years ago. "Nothing was nipped in the bud."



This November 1980 file photo shows du Pre with her husband Daniel Barenboim. (AFP telephoto)

"I look back with great happiness on the memory of playing, and I shall always hold that with me."

Israel Philharmonic Orchestra musical director Zubin Mehta and Zvi Litvak, a member of the orchestra's executive committee, fly to London today to attend du Pre's funeral.

At the Jerusalem season's first IPO concert last night, the announcement of her death by Maestro Mehta sent a gasp through the audience. In her memory the orchestra opened with the Nimrod movement of the Elgar "Enigma Variations," a work du Pre loved.

Does Tel Aviv have a street to name after Nahum Goldmann?

By JONATHAN KARP

TEL AVIV.—The controversy that surrounded Dr. Nahum Goldmann during his lifetime is still lingering five years after his death.

The Tel Aviv municipality's names committee last week rejected a proposal to name a street after the late president of the World Zionist Organization and World Jewish Congress, but advocates of the name change plan hope to force another vote.

Yeshayahu Avrech, a journalist for *Davar* and a member of the committee, has written to committee chairman Dov Ben-Meir, asking to raise the matter again.

"I was astonished to hear about the negative decision concerning the idea to name a street after Goldmann," Avrech commented yesterday. He did not attend the meeting because he was recuperating from an operation.

"I opposed Goldmann's policies, but one cannot ignore what he did for Israel and the Jewish people. He definitely deserves a street in Tel Aviv," Avrech said.

Arye Dulzin, outgoing WZO and Jewish Agency chairman, yesterday condemned the committee's rejection of Goldmann as "malicious."

"It was a bad decision. I think he should be honoured with a street just as many other Jewish and Zionist leaders are," Dulzin told *The Je-*

usalem Post, adding, however, that because it was a *principial* issue, he would not intervene.

In his long career in Jewish and Zionist affairs, Goldmann, who actually lived in Israel for only a short time, often managed to antagonize the mainstream Israeli political leadership.

In rejecting the street proposal, someone on the names committee reportedly argued that Goldmann had worked with the Americans against the establishment of Israel.

The committee member was referring to Goldmann's efforts in 1948 to get British Foreign Secretary Ernest Bevin and the U.S. State Department to urge Moshe Sharett and Abba Hillel Silver to pressure Ben-Gurion to delay the proclamation of the state from May until October.

But it was also Goldmann who used his influence to gain international support for the UN partition plan, and it was he who was credited with paving the way for the German reparations agreement. These events were perhaps obscured by his independent peace initiatives and, in the wake of the Lebanon War, his call for mutual recognition between Israel and the PLO.

There is no Goldmann Street in any town in Israel. The most important memorial to him is Tel Aviv's Beth Hatefutsoth, the Diaspora Museum, which he helped establish and which bears his name.

Few new posts seen for Lavi workers at IAI

By DAVID BAKER

It is believed that only 10-20 per cent of Israel Aircraft Industries workers who face dismissal as a result of the Lavi cancellation will be able to find work elsewhere in the company. This is the estimate of well-placed sources in the company.

After a 10-day holiday recess the management and workers of the company have returned to the negotiating table to discuss the fate of approximately 3,000 workers now facing dismissal. According to IAI spokeswoman Sylvia Beit-Halabme, the emphasis will be on "voluntary" resignations and the transfer of workers from the Lavi project to other divisions.

Nissim Cohen, head of the IAI workers' council, said he would oppose any attempt to fire employees. He added that he was sure a list of the thousands to be dismissed had already been drawn up, although he hadn't seen it yet.

The IAI spokeswoman refused to comment when asked if the list included employees not connected with the Lavi project, but Cohen was sure that it included non-Lavi workers.

Development of the third Lavi prototype, which is to be used as a test-vehicle for existing Lavi technologies which may be applied to other weapons systems, will not be discontinued.



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Absorption Minister Ya'acov Tur (right) and Danish Social Affairs Minister Mimi Stilling Jakobsen visit the home of Ethiopian immigrants in Jerusalem's East Talpiot quarter yesterday.

Cancer prevention seminar in Jerusalem

Post Science and Health Reporter

A seminar on how to prevent cancer by controlling one's diet and environment will open in Jerusalem next week.

Aimed at medical professionals and the general public, the seminar is to be held next Tuesday at Kennedy Hall at Hadassah-University

Hospital. It is being organized by Dr. Jerv Westin of the department of medical ecology of the School for Public Health and Community Medicine. Health Minister Shoshana Arbeli-Almosino will open the discussion at 9:15 a.m.

Industrial pollution, foods, smoking and other causes of cancer will

be discussed by experts. The discussion will focus on what carcinogens can be avoided in everyday life.

Westin notes that after 30 years of cancer research, scientists and doctors have been able to increase the cancer cure rate by only five per cent. Therefore, he says, prevention of cancer is vital.

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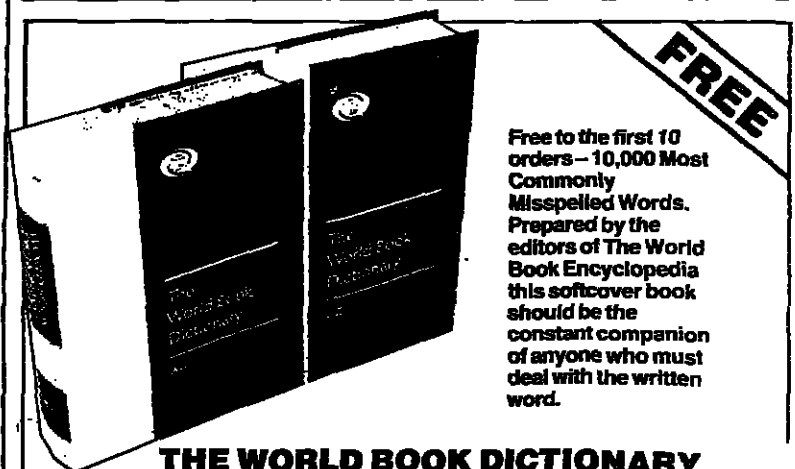
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הכרזה מן אלדול

The rise of the Palestinian Islamic Jihad

Elie Rekhess

"THE BIRTH of the Islamic Jihad (in Palestine) is the outcome of a divine act... the Jihad sweeps away the state of the Jews and the infidelity it represents."

This bold statement was recently made by Sheikh As'ad al-Tamimi, the Imam of the al-Aqsa mosque in Jerusalem. In an article published by a religious magazine in Egypt, Tamimi praises the armed operations of the Islamic Mujahidin in Jerusalem, the West Bank and the Gaza Strip. He relates their action to the rise of the Islamic revolution and to the destruction of the Jewish state (*al-qada ala dawlat al-yahudi*).

Declarations of this kind have paved the way in the last two years for the emergence of a new ultra-radical terror organization in the West Bank and the Gaza Strip: The Islamic Jihad (Holy War).

Last week IDF troops broke up such a Jihad cell in Gaza, arresting some 50 suspects and uncovering a large underground arms cache. Earlier in the month, security forces clashed with another Jihad group in Gaza, killing four of its members.

The latest incidents mark an escalation in the violent acts conducted by the Islamic zealots against Israeli targets. The list includes, *inter alia*, the stabbing to death of two Ashkelon taxi drivers by knife-wielding assailants in the Gaza market in October 1986; the hand-grenade attack on the Givati brigade's newly-recruited soldiers near the Wailing Wall that same month; the recent suicidal plot to blow up a TNT-loaded truck in Jerusalem; and the murder of the Military Police officer, Captain Ron Tal, in Gaza several weeks ago.

The size of the Islamic Jihad is relatively small: several dozens of activists. The organization is, rather, based on individual cells which comprise four to five members and act independently. Although inspired from the outside, most of the units were, nevertheless, set up on the local initiative of Palestinian Islamic radicals.

In one or two cases there were indications that members of the Jihad cooperated with Fatah agents. Some of the Gaza activists are Palestinian students who returned to the region after having been expelled from Egyptian universities for alleged subversive Islamic activity. The arms used by the group were either smuggled in from Jordan, Sinai and the Mediterranean Sea or purchased with the assistance of Israeli underworld elements. Former criminals who had joined fundamentalist Islam in Israel, proved most instrumental in conducting such arms deals.

THE INTENSIFIED activity of the Islamic Jihad groups in the West Bank and Gaza is the direct out-



(Yaron Kaminsky)

come of the Islamic resurgence evident in these areas since the late Seventies. The rise of the Moslem revivalist movement in the territories should be attributed to a number of causes: the repercussions of the Iranian revolution, growing despair and frustration over the unending Israeli occupation and the rejection of the "corrupt" westernized life-style which had spread as a result of daily contact with Israeli society. The economic recession in the Arab oil-producing countries and the return of thousands of unemployed from the Gulf states may have also contributed to "the return to Islam."

In the West Bank, the Islamic movement began to flourish on university campuses. Inspired by the Moslem Brethren in Jordan, religious candidates had won the 1981 student union elections at al-Najah and at the Hebron Polytechnic. In recent years, they had also made substantial gains at the universities of Nabulus, Hebron and Bir Zeit, posing a serious challenge to PLO influence in West Bank institutions of higher learning.

Moslem activism also gained momentum among the Israeli Arabs but the most dramatic advances occurred in the Gaza Strip. The movement developed there more rapidly as a result of several factors: the traditional-conservative nature of the local inhabitants, the almost exclusively Moslem population (unlike the Christian-dominated areas in the West Bank), the pressing socio-economic conditions, the impact of the Gaza branch of al-Azhar university and the direct influence of Egyptian radical Islam.

The first to preach for Islamic piety and for strict observance of the religious law were the Gaza Moslem Brothers. They claimed that all sec-

ular ideologies other than Islam should be rejected. The PLO programme, they attacked, was narrowly nationalist and thus diverged from the true goal of establishing a single Islamic state throughout the Middle East. Adopting true Islam, the radicals argued, was the only road leading to a solution of the Palestinian problem.

In 1984 a Gaza group led by Sheikh Ahmad Yasin actually tried to implement the theoretical tenets. They were uncovered and charged with illegal possession of automatic weapons and with intent to destroy the state of Israel and replace it by a religious Islamic state.

Yasin was released in the May 1985 prisoner exchange. Since then he has abandoned the terrorist path and adopted a non-violent approach, trying to deepen the Islamic roots of the local population through religious education and social activity. (A similar strategy was followed by Sheikh Abdallah Darwish, head of the Islamic Fundamentalist Youth in Israel). Yasin soon became the spiritual leader of a new movement - *al-Mujamma* (the community), the largest religious organization in the Gaza Strip, comprising more than 2,000 active members.

Al-Mujamma still adheres to the principle of uprooting the Zionist entity, but unlike Jihad followers, it claims that the immediate struggle should first be directed against the nationalists, leftists and Communists. To achieve this target, the *al-Mujamma* works closely with yet another Gaza-based Islamic group, the *Salafiyun*, who preach Islamic purism and return to the customs practised at the early time of the Prophet Mohammed.

In previous years violent clashes erupted between radical Moslems

and left-wing activists. Most of the attacks were against the pro-PLO Red Crescent Society headed by Dr. Haydar 'Abd al-Shafi. In 1986 the violent disputes between the rival factions reached an unprecedented level when acid attacks, knife slashing and fire bombing were directed at secular elements.

Under the constant pressure of the Gaza Islamic fundamentalists, a growing number of local inhabitants began wearing conservative dress, in accordance with the precepts of Islam. As the movement gained power, the Moslem activists became more provocative and aggressive: vandalizing stores that sold hard liquor, attacking women wearing indecent dress, and breaking up weddings where western music was played.

THE ISLAMIC Jihad is strongly influenced, inspired and perhaps even guided by the Egyptian radical Islam. The monthly organ of the Cairo-based fundamentalist association, *al-Mukhtar al-Islami*, reaches the territories regularly and widely covers current events there.

The magazine, known for its staunch anti-Israeli and anti-Semitic line, repeatedly reminds the readers that the Palestinian problem is Islamic by nature, hinting at the fact that the Moslem holy places in Jerusalem and elsewhere in Palestine are still in Jewish hands. Yasser Arafat has failed to liberate the land, the editors insist, and therefore "the only hope [left] is the Islamic Jihad which should operate from within Palestine itself."

Reviewing the October 1986 attack on the Givati soldiers, *al-Mukhtar* made a reference to what may be regarded as "the Egyptian connection," saying that the operation had revived the "historic Jeru-

Egypt: Food, or firepower?

David Horovitz

LONDON.— Egypt has been living beyond its means for several years now, and nowhere more than in the field of military spending.

The Mubarak government has been fortunate in that the U.S., and the Soviet Union and France, to a lesser extent — has been willing to reschedule Egypt's military repayments, but with total foreign debts at \$40 billion and rising fast, Egypt is now having to cut back on its defence spending, and to put a number of intended arms purchases on hold.

In a recent interview with *al-Ihtihad*, Defence Minister Abdel Halim Abu Ghazala noted that there were two schools of military thought:

The first favoured quantity, and was based on the belief that combat ability is enhanced by more tanks, soldiers, aircraft and guns. The second school favoured quality, and stressed the need to select the best soldiers and arm them with the most sophisticated equipment.

Egypt, said Abu Ghazala, has now opted for the second school of thought, and will focus in future on developing its forces "to the highest degree possible," while cutting back expenditure on the huge number of men under arms.

As *Jane's Defence Weekly* noted in a recent feature on Egypt's economic and military situation, the Mubarak regime really has no option but to reduce its defence budget: It has come down to a stark choice between firepower and food. By streamlining its military forces, Egypt hopes to save on defence spending without losing its overall strategic strength.

Cairo spends an annual \$7b. on food subsidies, but cutting back on these would exacerbate the already growing signs of unrest in the country. The International Monetary Fund has called for drastic economic

reforms — including a big reduction in subsidies — as a precondition for new credits. But Mubarak considers the proposed reforms to be unworkable, and consequently has had to forgo the IMF funding.

Although there have been reports that Mubarak is becoming increasingly angered by what he sees as the U.S.'s indifference to his country's economic problems, Washington remains his main arms creditor, doling out some \$1.3b. in military funding each year.

Egypt, in fact, has all but suspended arms purchases outside the U.S., though it is still over \$2b. in debt to the Soviet Union and \$3b. in debt to France on purchases going back many years.

Thus, it seems unlikely that Mubarak will exercise his option to buy 20 more Mirage fighters from France, or to launch an intended coproduction project to build the Mirage 2000 in Cairo.

According to reports emanating from Egypt in recent weeks, in fact, the government may have decided to freeze all arms purchases — excepting those funded by the U.S. — until the economic slide slows.

Recent arms deals with the U.S. have included a \$1.3b. purchase of 40 F-16s, five early-warning aircraft at a cost of \$700m., and various missiles and tanks at the value of some \$350m.

The interest on these purchases is charged at 14 per cent, despite repeated calls from Mubarak for a 50 per cent reduction.

So, however much the Egyptian defence forces are streamlined in the future, the excessive spending in recent years has left a crippling legacy. While U.S. economic aid to Egypt last year totalled \$850m., Mubarak's annual interest payments to the U.S. alone are already close to \$600m. — and rising.



No shortage of food at Cairo's Khan-el-Khalili market. (R. Nowitz)

The Soviet Union in the Gulf

Much improved ties with Teheran

Patrick Seale

LONDON.— Moscow and Teheran are moving closer together — so much so that Teheran Radio spoke last week of a "sudden important improvement" in relations. At the same time, Moscow and Baghdad are moving further apart, with relations, according to some observers, at their lowest ebb for a decade.

The other superpower has also come off the fence: United States hostility to Iran is now breaking out in armed clashes while ties with Iraq have never been closer.

Irangate put Soviet diplomacy into high gear. Revelations of secret U.S. arms sales to Iran revived Soviet fears of a return of American military power to their borders. This was particularly worrying to the Russians because for them, the great bonus of the Ayatollah's revolution had been the removal of the Americans — and of their monitoring stations.

Apart from keeping the Americans out of Iran, Moscow's priority is to remove U.S. military forces from the Gulf. When last week the big five at the Security Council discussed an arms embargo against Iran, UN sources say that the Soviet Union linked its support for any such proposal to the withdrawal of foreign navies, meaning primarily the American fleet.

But Moscow's current wooing of Teheran is also clearly linked to its

anxiety to extricate itself from Afghanistan, what Mikhail Gorbachev called a "bleeding wound." Iran gives shelter to some two million Afghan refugees and leads active support to the anti-Soviet guerrillas. A major Soviet objective is to cut off this Iranian aid.

For months Moscow and Teheran have been bargaining over the Afghan question. As Iran comes under greater pressure in the Gulf war, it may be ready to trade concessions on Afghanistan for Soviet diplomatic backing in the Gulf.

According to a senior Pakistani source, Iran has recently offered to assist the Russians in finding a settlement. So far, Moscow has looked for a solution of the Afghan puzzle in bilateral Afghan-Pakistani talks, but Iran is now proposing multilateral talks in which it would like to play a part.

Observers believe that the closer Iran comes to dropping its demand for a Moslem fundamentalist regime in Kabul, the more Soviet support it can expect in its war with Iraq.

Gorbachev's biggest gamble, Western diplomats say, lies in assuming that his attempts to win over Iran are more acceptable to Arab Gulf states than American attempts to humble it. The Russians are encouraged by signs of Arab nervousness at America's policy of confronting Iran. Some Arab Gulf states fear



From *Al-Mustakbal* magazine

that if Iran and the United States start clashing in earnest, they may have to pay the price in Iranian attacks.

There is also the nagging anxiety in the Gulf that the United States will tire of the contest and walk away, leaving the Arabs exposed.

What is becoming clear in the current maneuvering is that the real

theatre of Soviet-American competition in the Middle East is no longer the Arab-Israeli conflict but the Gulf war. There are no prizes for the great powers to win in the frozen and stalemated Arab-Israeli conflict. But in the fluid, dynamic Gulf conflict, Gorbachev is now showing both flexibility and daring.

(London Observer Service)

Relations with Baghdad in a shambles

RELATIONS BETWEEN the Soviet Union and Iraq are said to be so bad that the two countries are no longer communicating directly, but are using Kuwait (where Moscow maintains a 140-strong embassy) as a go-between. Kuwaiti Foreign Minister Sheikh Sabah al-Ahmad has been trying to mediate the dispute.

According to a source close to the Iraqi leadership, President Saddam Hussein is angered by what he sees as Soviet wooing of Iran. He has come to believe that whereas the U.S. genuinely wants to end the

Gulf war, the Soviet Union is exploiting it for political gain.

Apart from angling for influence in Iran, seen as the big regional prize, Moscow wants Iran to stop its help to the Mujahideen in Afghanistan.

Reports are circulating in Baghdad that the Soviet Union has recently delivered SAM 6 anti-aircraft missiles to Iran, allegedly for use against a possible American strike, but in fact to protect it against the increasingly active Iraqi air force. An Iraqi raid recently against targets in northern Iran, close to the

Soviet border, was intended as a gesture of defiance of Moscow, Iraqi sources say.

Saddam Hussein's main complaint is that the Soviet Union "betrayed" Iraq at the UN by calling for an independent commission to inquire into the origins of the Gulf war and for an international maritime force to patrol the Gulf.

The Soviet Union also rang alarm bells in Baghdad by arguing for a cease-fire without an immediate Iranian withdrawal to the international frontier.

Meanwhile, Baghdad's relations

with the U.S. grow ever closer, which may itself be a factor in the current strains with Moscow.

Sources in Baghdad speak of an emerging "strategic relationship" with the U.S., which now sees Iraq as a Middle East bastion against both communism and Moslem fundamentalism. Washington has also been impressed by Saddam Hussein's conversion to moderation in the Arab-Israeli dispute.

(London Observer Service)

The Middle East page is edited by Yehuda Litani.

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Tamir Cohen (Jacobsohn)

TENNIS

Mansdorf continues success

Post Sports Staff

Amos Mansdorf continued on his winning ways at the \$125,000 Stadthalle Grand Prix tournament in Vienna. He put out an old rival, Czechoslovakia's Karel Novacek in a comprehensive straight set victory, 6-1, 6-4 to advance to a second round match-up today with the problematic American Mark Dickson. Dickson, a talented but sometimes tempestuous competitor, also played at Ramat Hasharon, out to Gilad Bloom in the second round.

Meanwhile, Jimmy Connors and Brad Gilbert, also both visitors at Ramat Hasharon last week, are competing at the \$375,000 Grand Prix tournament in Tokyo, Japan. Connors won his first round match. The fourth seed shrugged off the pain from fractured bones in his foot to trounce fellow-American Marty Davis 6-4, 6-3 yesterday.

Connors said he has been troubled by fractured scapula bones in his right foot and that he would probably undergo surgery to get it "fixed". He would take a break from playing during November.

The 35-year-old veteran said he still plans to compete in the Masters' tournament in December.

Gilbert is due to play his first round match today.

Second-seeded Stefan Edberg of Sweden, suffering from jet lag, looked sluggish against Japanese Tadayoshi Fukui but eventually won 7-5, 6-2.

BASEBALL

Whitey Herzog wants to get on with the show

ST. LOUIS (AP). — St. Louis manager Whitey Herzog jabbed at the Minnesota Twins while his Cardinals tried to come up with ways to stop them from running away with the World Series which resumed late last night in St. Louis.

"I don't think they would win the American League East with the way they're constituted," Herzog said of the Twins, who have rampaged to a 2-0 lead.

"I don't think they could win the National League East," he said. "I'm talking about playing the whole season. But this is seven games." And the Twins have crushed the Cardinals in the first two. Game 3 was played late last night.

Minnesota worked out in light rain at Busch Stadium during Monday's off day. The Cardinals took the day off and regrouped — not that Herzog wanted it that way.

"I've always said you shouldn't have off days during the playoffs," Herzog said. "It's ridiculous."

EUROPEAN SOCCER

Real chase another European trophy

LONDON (Reuters). — Real Madrid, who may be on the verge of greatness again, will be hoping to reproduce their devastating league form when they meet holders Porto of Portugal in the European Cup tonight.

The Spanish champions, winners of the European Cup between 1956 and 1960, beat Napoli of Italy in the first round of the champions' cup and on Sunday they maintained their four-point advantage at the top of the table in Spain with an impressive 2-0 win against Espanol in Barcelona.

With a maximum 14 points from seven games and a goal tally of 28-2, Dutch coach Leo Beenhakker was fully justified in describing Real's form as "fantastic." Though the tie will be played in Valencia — part of Real's punishment for last season's crowd trouble — Porto will approach the first leg with trepidation.

They struggled to beat bottom club Portimonense in the Portuguese first division on Sunday, winning 1-0 amid a chorus of boos thanks to an own goal, though that was enough to keep them two points clear at the top.

Porto manager José Mourinho said: "The fans were right to boo, after all they pay to see good football. The problem is every team seems to have twice as hard against the European champions."

The big question facing Real is whether to bring back prolific goalkeeper Fernando Gomes, dropped last month for reasons that are still unclear.

While Real were continuing to reign in Spain, beleaguered Barcelona moved off the bottom with a 1-0 win at Sabadell which gave them their second victory of the season.

SQUASH Jansher Khan, young pretender

BIRMINGHAM (Reuters). — Jahangir Khan still considers himself the world's number one squash player, despite losing for the third time in successive tournaments to fellow-Pakistani Jansher Khan, the young pretender to his throne.

"Whatever he says I am still number one in the rankings and will be at the end of these championships," Jahangir said after 18-year-old Jansher beat him in four games on Monday in the semi-finals of the World Open championships.

BASKETBALL

No longer only Maccabi Tel Aviv

By DON GOULD

TEL AVIV. — The extended third round of the National Basketball League further confirmed the quality of the play and the tough competition which is bound to make this season the best year ever.

Until this season champions Maccabi Tel Aviv were always perched at the top of the table, followed not too closely by three or four other teams that once in a while might just catch Maccabi on an off night and upset them. The real battle in the league was between those teams.

After them came a group in the middle of the table who were capable from time to time of beating the better teams in the league.

The bottom teams couldn't beat anybody other than their rivals for relegation. When teams from the top of the table played those in the bottom half it was certain victory for the favourites.

This year the picture has changed

for the better. After three rounds, Maccabi Tel Aviv lead the pack still undefeated. However, considering that the two other top teams were not even in the first eight last year this season's league is a much more exciting proposition than previous seasons have been.

All of Maccabi's three games were close calls, making it easy to see the positive differences in the competitive nature of this year's league. Maccabi put away Hapoel Haifa in the opening round, but not without a struggle. In the second round they travelled to Jerusalem to take on the local Hapoel, a team that barely held on to their place in the top league last season. The champions got behind by as many as twenty points before finally pulling out a narrow win.

In this week's third round, Maccabi Tel Aviv entertained one of this year's two newly promoted teams, Maccabi Netanya. Netanya have yet to score their first win in the league but they extended Maccabi Tel Aviv through three quarters of the game before one of their key players

got into foul trouble. They finally succumbed 92 to 74. At the half Maccabi Tel Aviv led by the slender margin of 37 to 35.

Jim Stack of Netanya led all scorers with 31 points, 12 of them from beyond the three point stripe. Willy Brown, the man who got in foul trouble, and Steve Schleicher had 13 each.

For Maccabi Tel Aviv, new player Ken Barlow showed he can put the ball in the basket by netting a team high 24. He was followed closely by Kevin Magee with 22. Perhaps the most encouraging effort for the champions was the performance of Motti Dandil. Motti played for less than half the game, but he led the charge that increased Maccabi's lead. Dandil finished with 16 points.

As further proof, of the tough competition this season, highly regarded Hapoel Holon struggled to their third victory in a row at the expense of win-less Hapoel Haifa 82 to 71.

The game was tied several times during the early stages of the second half, and Holon playing on their home court were never able to put the game away until the last minute. Hot outside shooting by Desi Barnmore who finished with 26 is really what kept Holon in the game.

It was the same story at Gali Elyon where visiting Hapoel Jerusalem refused to play like a bottom of the league team and came close to pulling off an upset, but fell short by only 4 points.

If this kind of action continues through all 22 rounds and the playoffs, basketball fans are in for a real treat.

WATER POLO International tourney begins

By JACK LEON

Post Sports Reporter
TEL AVIV. — Israel will host by far its biggest-ever water polo tournament this weekend, when 120 players from six countries compete in the fourth annual Mediterranean Men's Team Cup. The meet is being held at the Wingate Institute's indoor swimming pool, starting at 3.30 p.m. on Friday and continuing through Sat-

urday and Sunday.

Represented with Israel will be France, Greece, Italy, Spain and Yugoslavia. Israel Water Polo Association secretary Dorit Rosman told me yesterday. Each country has entered its top team, with Yugoslavia sending two sides to the event.

Israel's representative is Hapoel Givat Haim (Hud) — perennial top dogs in the local game — which is also

organizing the event. Tournament director is Micky Hadar.

The host's coach-captain is Ofer Friedman. The line-up will include Eyal Kanitz, who is interrupting his studies in Los Angeles to return home for the meet.

In last year's Mediterranean Cup, Givat Haim finished as runners-up to a team from Yugoslavia.



NEW SEASON. — The new camel racing season got under way in Dhaid, United Arab Emirates this week. Here, Pakistani and Indian boys, some as young as six years old, compete in a 6 km. event. They are fastened to their camels with the aid of velcro adhesive material. (AFP)

CRICKET Pakistan through to semi-finals

KARACHI (Reuters). — Pakistan made sure of a place in the world cup semi-finals after a perfectly-paced innings of 113 by opener Rameez Raja carried them to a seven-wicket win over England here yesterday.

The victory, acclaimed by a 30,000-crowd on a sweltering day, gave Pakistan a maximum 16 points after four group B matches and they are now assured of one of the top two places in the section.

England stayed second although West Indies will be looking to replace them when they play Sri Lanka in Kanpur, India, today.

On a pitch devoid of menace after the first few overs, England's total of 244 for nine was never likely to be substantial enough and with Ra-

meez playing an impeccable one-day innings, Pakistan reached 247 for three with one of their 50 overs remaining.

Rameez batted for all but two balls of the Pakistan innings, falling to Phillip DeFreitas when he drove the fourth ball of the 48th over to Graham Gooch at mid-on. Two balls later Ejaz Ahmed swung DeFreitas to the square-leg boundary to complete the victory.

Between the 18th and 47th overs, Rameez batted in company with Salim Malik, who made 88 of a second-wicket stand of 167.

Their batting was an object lesson in how to pace a limited-over innings, not a single boundary struck in the first 16 overs of their stand and then a gradual raising of the run rate.

England reached 187 for two through a splendid stand of 135 between Bill Athey and Mike Gatting, who made 86 and 60, before Imran Khan shot apart the rest of the innings.

Athey and Gatting, having batted so stoutly for so long, had been dismissed within three balls of one another. Athey, in his sole moment of recklessness, was bowled by off-spinner Taseer attempting a reverse sweep off the fifth ball of the 37th over and off the first ball of the 38th. Gatting played an orthodox sweep at Qadir.

NFL: Results of Monday's games: Washington Redskins 13, Dallas Cowboys 7.

NHL: Results of Monday's Montreal 5, Minnesota 1; Washington 4, New York Rangers 2. Ten games scheduled.

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Carefree panti-shields	45 pcs only 5.45
Johnson's baby shampoo	250 cc only 6.21
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Colon liquid detergent	1 litre only 3.75

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Ruthi.

Boris must apologize

STOCKHOLM (Reuters). — Television technicians said last week that they will refuse to broadcast coverage of the Stockholm Open tennis championships next month unless West German star Boris Becker apologized for playing in South Africa.

They said they would pull the plug on the championships unless Becker apologized in writing, an action that would also remove his name from the United Nations blacklist of sportsmen who have appeared in South Africa. The Swedish action threatens to black the screens of all subscribing television stations, as foreign television crews depend upon Swedish technical support for coverage of the championship.



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After help from Europe and North America

Black Africa challenges Pretoria

By JOHN MORRISON

HARARE (Reuters). — Efforts by black-ruled southern African states to cut their overwhelming dependence on South African transport routes are starting to bear fruit, thanks to big injections of aid from Europe and North America.

Political and business leaders in the region know that the white-ruled government in Pretoria could still paralyze their exports and imports in a confrontation.

"We are virtually held as hostages," Botswana's President Quete Masire told Canada's visiting prime minister Brian Mulroney early this year.

But there is growing optimism that by the end of the decade a crash programme to rehabilitate Mozambique's ports and railways with western aid money will have given some of the regional states a reliable alternative route.

Of the nine countries in the Southern African Development Coordination Conference (Saddc), set up in 1980 to lessen dependence on South Africa, six are landlocked — Botswana, Lesotho, Malawi, Swaziland, Zambia and Zimbabwe.

Only Tanzania, Angola and Mozambique have access to the sea and the last two's rail links have been disrupted by years of neglect and sabotage by anti-government rebels.

The Chinese-built Tanzania-Zambia (Tazara) railroad has long been the only functioning rail route to the Indian Ocean, taking around 20 per cent of the region's overseas trade, mostly from Zambia.

Angola's Benguela Railway, running from the rich mining areas of Zambia and southern Zaire to the Atlantic, has been closed for a decade by South African-backed UNITA rebels.

But in the other former Portuguese colony of Mozambique, things are beginning to happen at a speed unusual by the standards of major aid projects involving several countries.

Thanks partly to a Zimbabwe-based ginger group of businessmen, the Beira Corridor group, 4,500 tons of rail freight a day is now being carried between the Zimbabwe border and the port of Beira.

Zimbabwean businessman Eddie Cross, the group's managing director, says the line is now carrying a fifth of regional overseas trade, or as much as the Tazara Line to Dar es Salaam.

The share of trade going through South African ports has fallen from



Botswana President Quete Masire, second from right, during a visit to the Temple Mount three years ago. (Zvi Glaser)

75 per cent to 58 per cent, he told Reuters in a recent interview.

The group, set up in 1985, has acted as a catalyst in speeding up Saddc plans to revive Mozambique's transport routes and persuading foreign donors to hand over hundreds of millions of dollars in aid.

In the first phase, \$45 m. has been spent on rebuilding the rail link and getting port facilities into working

order, giving Beira the annual handling capacity of three million tons a year it had in 1975, the year of independence from Portugal.

Getting businessmen to use the route has meant persuading them that the threat from Mozambican National Resistance (MNR) rebels is only a minor irritant.

Zimbabwe has deployed 12,000 troops to help the government fight the MNR and their principal task is to guard the rail, road and pipeline link along the Beira corridor.

Mozambique has dropped previous attempts to attract trade with moral arguments and is concentrating on making its ports commercially competitive.

Freight tariffs have been lowered so that cargoes from Zimbabwe to Beira now cost on average \$400 a ton less than through the South African port of Durban, according to Jeanne Stephens, a Canadian adviser to the Mozambican ports and railway system.

In a second phase, more than \$200 m. will be spent on modern deep-water berths, a container terminal and other facilities to increase Beira's capacity to five million tons a year by 1990.

In Maputo port, a nine-million-dollar Italian aid programme has led to dramatic improvements in cargo handling. Forwarding agents say loading rates are now comparable with Durban at 24 containers an hour compared to four in 1984.

The anti-Communist rebels have also been blamed for blowing up a bridge last month on a second line from Zimbabwe to Maputo which passes through South Africa.

Business sources in Harare say the attack has effectively cut the line for six weeks, blocking thousands of tonnes of Zimbabwean freight inside South Africa.

Jerusalem suburb to be dust-free

By LISA PERLMAN

The transfer of limestone quarrying near Jerusalem from residential Mevasseret Zion to the industrial area has been approved in principle following complaints that clouds of dust resulting from the quarrying were causing breathing difficulties among residents, particularly older people.

After lodging an official complaint, Malraz (the National Council for the Prevention of Noise and Air Pollution) was informed by the Health Ministry's district engineer

that the national council of building and development approved "in principle" the transfer in light of the huge clouds of dust that result from explosions in the quarries, causing health problems.

Several times a week for a number of years residents have been frightened out of their sleep in the early hours of the morning by the noise of huge explosions coming from the nearby quarry. Each explosion results in a huge cloud of white dust that settles in the neighbourhood.

Chronology of the stock market fall

LONDON (Reuters).

— The plunge in world share prices was triggered last Wednesday when Wall Street investors, already nervous about inflation and interest rates, decided that the latest U.S. trade figures were not what they wanted to see.

Here is a chronology of what happened next: Wednesday, October 14: markets disappointed by U.S. August trade figures showing a deficit of \$15.68 b. after a record \$16.47 b. in July. Wall Street (the Dow Jones Industrial Average) fell by 3.8 per cent. London (Financial Times-Stock Exchange 100 Index) by 1.16 per cent and Tokyo (Nikkei 225-Share Index) by 0.93 per cent.

Thursday, October 15: U.S. Treasury Secretary James Baker criticizes West German moves to raise interest rates. Chemical Bank of New York raises its prime rate by half a per cent to 9.75 per cent. On stock exchanges, Wall Street is down 2.38 per cent, London 0.9 per cent and Tokyo 0.82 per cent. French bourse slumps more than five per cent on concern over interest rates and France's trade deficit. The dollar dips briefly in Europe below 1.80 West German marks.

Friday, October 16: Wall Street falls 4.6 per cent. Earlier, Tokyo slipped 0.23 per cent. Gales disrupt communications and transport in England so British markets are mostly closed. Brokerage analysts still try to digest poor U.S. trade figures. U.S. wholesale prices rise 0.3 per cent in September — within market expectations — but many economists have recently expressed concern about inflationary pressures on U.S. economy. French market rallies a bit with help of foreign buyers.

IAI's own job office

By JEFF BLACK

Israel Aircraft Industries workers facing dismissal because of the scrapping of the Lavi will now be able to turn to a special employment office established by the Ministry of Labour and Social Affairs.

The aim of the office at the IAI headquarters is to find suitable employment for professional workers, such as engineers and technicians, before they leave their present job.

Workers will receive individual counselling and the ministry, alongside the National Insurance Institute and the Employment Service will offer a number of professional re-training schemes.

After upheaval in world stock exchanges

Religious institutions will feel pinch

By HAIM SHAPIRO

Jerusalem Post Reporter

On the face of it, the World Union for Progressive Judaism and the Belz Hassidim have very little in common, but they, as well as a host of other organizations and institutions in Israel, could not help but be concerned about the news of the crash on Wall Street.

Both the Reform movement and the Hassidim are in the midst of massive building projects. Belz has not yet completed its \$5m. Beit Midrash Hagadol in Jerusalem and this week it laid the cornerstone for a new study centre for young people in Kiryat Telshe Stone, also due to cost between \$4m. and \$5m.

The Reform Movement is in the midst of construction on the Hebrew Union College complex in Jerusalem, a project which is to cost some \$15m. The movement also broke ground for a new synagogue in Tel Aviv this week.

But spokesmen for both groups could immediately assure *The Jeru-*

salem Post that their particular projects would probably not be affected, despite the sharp losses by investors, who might well be potential contributors.

"Our large contributors are mostly in the diamond business, either in the U.S. or in Europe," Yisrael Eichler, a spokesman for the Belz Hassidim, told *The Post*. If anything, he said, they would benefit from the tendency to seek security in precious stones. Other contributors, he said, were industrialists, not dependent on the stock market.

Rabbi Richard Hirsch, director of the World Union for Progressive Judaism, told *The Post*, that as far as Hebrew Union College was concerned, the institution was "covered." Most of the pledges were from large foundations, which tended to keep their funds in safe securities, unaffected by market trends.

But Hirsch preceded his remarks about HUC by noting his deep concern for the effect of the economic events on the relationship between

the American government and the State of Israel, and the effect on overall contributions to Jewish causes.

"When something like this happens, you can't just think about yourself," he said. "It teaches us that the whole world is interdependent."

Meanwhile, a host of other, smaller institutions, with far less established sources of income, had not even begun to evaluate the effect that events on Wall Street would have on their contributors. These were the schools and yeshivot and other bodies which have for the past few years eked out a hand-to-mouth existence on the verge of bankruptcy, depending on chance unexpected largesse from chance contributors.

Some of those involved in these institutions were hardly aware of what was happening in the world markets and those who were could not even begin to see how it would affect them personally.

Mark Margolin, the "last man aboard the Lavi"

Sacked engineer back to U.S.

By KEN SCHACHTER

For The Jerusalem Post

TEL AVIV. — Mark Margolin, the last man aboard the Lavi project, got on a plane of another sort this week. This one was a commercial jetliner headed out of Israel.

The mechanical engineer from Seattle, Washington, is returning to the United States after a decidedly brief and star-crossed career in Israel's aerospace industry. After arriving in Israel last February, he endured months of delays in getting security clearance from Israel Aircraft Industries.

Clearance ultimately came, but just hours after he reported to work on Sunday, Aug. 30, a divided Cabinet voted to scrap the \$1.5 billion jetfighter project.

Margolin never did get down to any engineering. "At the end of my first day, my boss said I could stay (at the plant) and learn or ... go to the beach," he said. "I didn't really do anything because nobody did anything. There was kind of a work strike. The union was trying to slow down the cancelling of the project."

Although they balked at working on a dead project, IAI workers showed considerable zest in mounting a wave of nationwide demon-

strations designed to force the government to revive the Lavi. Margolin marched in some of the protests, but they failed to sway the Cabinet.

About three weeks after he was hired, on *erev* Rosh Hashana, the inevitable pink slip arrived. "It just so happened that I got it the day everyone was leaving for Rosh Hashana," he said. About 600 other IAI employees were given notice at the same time. "It was a nice little card," Margolin recalled. "It said that if times got better (for the aircraft industry) I should call them."

On Oct. 5, little more than a month after he started, Margolin ended his career at IAI. "They said I could stay a few more weeks," he said, "but I said, 'What the hell, I'll get fired anyway.'"

Margolin said he has tried to find other engineering jobs, but opportunities were limited for someone whose work experience was at Boeing Aircraft and centred primarily on aerospace design. In all, the 26-year-old said he sent out about 50 resumes since coming to Israel eight months ago. Margolin continued looking for jobs in Israel until his final days here, in the hope that he

could cash in his airline ticket. But when no offers were forthcoming, he packed his bags.

He plans to fly to France for a two-week vacation and then continue to Seattle, where he hopes to rejoin Boeing. "I sent them an application a while back," he said. "I even asked IAI to write a letter. I don't know if they'll do it because I think it's their fault. They must have known (the project) was real shaky."

Margolin said his experience hasn't soured him on Israel, but it has tempered his idealism with a strong dose of pragmatism.

"Now I know how hard it is to find a job," he said. "I think I've become a lot more practical and a lot less idealistic. It's not that I don't have good thoughts about Israel, but it's no small thing to come to Israel from America."

Still, Margolin acknowledged, leaving Israel will be emotionally wrenching, even though he has been here less than a year.

When he told his friends he was leaving the country Margolin "felt bad, like I was letting them down." But even worse would be facing more rejection letters from employers, he said.

Big coal port for Turkey is part of Australian deal

ANKARA (Reuters).

An Australian-led consortium chosen to build a thermal power station in Turkey plans to construct one of the biggest ports in the Eastern Mediterranean initially for coal shipments, industry sources said recently.

They said the deepwater port for the power plant, near Yumurtalik on Southern Turkey's Iskenderun Bay, eventually would be able to

take vessels of up to 400,000 tons.

The group, led by Seapac Control Services Pty., is expected to sign a contract worth about \$1.4 billion with Turkey this month for the power station and port project.

It envisages dual-purpose vessels taking coal from Australia's Queensland State for the power station and to help meet Turkey's increasing demand for coal in other

areas of industry, the sources said. On return trips, the vessels could be designed to take commodities such as minerals, including possibly crude oil, to Australia and the Far East.

The thermal power station will be built near the outlet of Iraq's main oil export pipeline and across the bay from Turkey's biggest steel factory at Iskenderun.



CROSSWORD

ACROSS

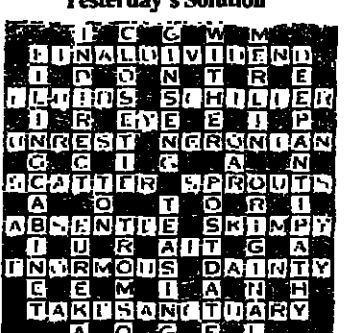
- 1 Attack of forward group (5)
- 4 Tropic island grain (9)
- 9 Follow away from coast in the country (7)
- 11 General holds spectators' money — he'll succeed (7)
- 12 English three days is enough for the poet (4)
- 13 Scope for betting-odds champion (5)
- 14 Song about divorced wife (4)
- 17 One in circle has reputation with calculus (8-5)
- 19 Degree of variety in a cabaret? A clue here! (13)
- 21 Quality of painter who puts gold first (4)

DOWN

- 2 Bone resuscitation of first-class piece (5)
- 23 Rainbow-coloured flag (4)
- 26 Shots in the arm from Phillips, we hear (7)
- 27 Sisters' office? (7)
- 28 Columnade of fairy refinement (9)
- 29 First name of film star who showed dress-ring (5)
- 1 Winter of discontent? (3-6)
- 2 This Portuguese lady hears no wrong (7)
- 3 Chucky drop in Split (4)
- 5 Poor cops alien to it? (6-7)
- 6 Othello's ancient — I have a try (4)

- 7 Silver put in over the top is a violation (7)
- 8 Horn extremely dowdy and very poor (5)
- 10 For trustworthiness, bank on endowment (13)
- 15 Order English dictionary (concise edition) (5)
- 16 Union fund for party with crooked following (5)
- 18 Dry places wrecked this old cluck (9)
- 19 Stop arrival in last carriage (7)
- 20 Headlight of faultless type? (7)
- 21 This fabulous fellow had a model head over heels (5)
- 24 Copper on ship provided by tin-kura... (4)
- 25 ...tin on silver makes complication (4)

Yesterday's Solution



QUICK SOLUTION

ACROSS: 1 Poets, 4 Necker, 8 Regulus, 9 Tlingit, 10 Overt, 11 Oddment, 13 Ogle, 15 Rapine, 17 Crayon, 20 Rake, 22 Neveaux, 24 Utoia, 26 Trund, 27 Amusing, 28 Natural, 29 Doury.
DOWN: 1 Parlor, 2 Eagle, 3 Stilton, 4 School, 5 Uptail, 6 Navvety, 7 Rights, 12 Berk, 14 Gern, 16 Portcut, 18 Rebound, 19 Nougaty, 21 Assail, 22 Satin, 23 Alder, 25 Uriel.

QUICK CROSSWORD

ACROSS

- 1 French capital (5)
- 4 East-end (7)
- 9 Ski-track (5)
- 11 Mausoleum (4)
- 12 Small hunting dog (7)
- 13 Anger (3)
- 14 Slim (4)
- 16 Hunter (4)
- 18 Standard (3)
- 20 Dinosaur (7)
- 21 Long unadorned seat (4)
- 24 Compassion (5)
- 25 Underlying (7)
- 26 Mean, begrudgingly (6)
- 27 Local taxes (5)

DOWN

- 1 Abundance (5)
- 2 Dominion (5)
- 3 Adam and Eve's third word (4)
- 5 (He who sells abroad) (9)
- 6 Young goose (7)
- 7 Conjectural idea (7)
- 8 Intense (5)
- 13 Shareholder (8)
- 16 Large bag (7)
- 17 (Two-piece) (6)
- 18 Sacred wing (5)
- 19 Gentle-tough (6)
- 22 Satellite's path (5)
- 23 Affirm (4)

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Bank shares redemption

Day of decision and indecision

By ANDY COURT and KEN SCHACHTER

For Daniel Gabai and thousands of other Israeli bank shareholders, yesterday was the day of decision—and unexpected indecision—over whether to redeem their bank shares frozen in 1983.

Until Wall Street came crashing down on Monday, Gabai had planned to hold onto his bank shares for another two years.

But as the firm earth of world financial markets quaked yesterday, the 57-year-old maintenance worker at Hadassah Hospital in Jerusalem started having second thoughts.

"There's fear here," he said, as he waited in Bank Hapoalim's main branch in Jerusalem. "I'm under great pressure because the little amount of money I've got invested is a lot of money for me. Until yesterday, I hadn't thought about it at all."

Gabai and others waiting in lines in bank branches throughout the country had several options yesterday. They could choose to redeem their shares at a government guaranteed rate of \$12 (in shekel terms) for every \$100 they had in 1983. They could choose to freeze their shares for another two years. Or they could simply hang on and sell the shares after November 1 at the stock market price.

Those who decided to cash in their shares also had to decide what to do with their money. Many decided to put it in bank savings schemes, or in short-term certificates that would allow them to see what happens in the market.

Some people simply planned to spend the money; one 30-year-old Jerusalem secretary said she planned to use the money to fix her teeth.

"Logic says that people are afraid," said Yehuda Rabinovich, a 35-year-old yeshiva student. "People want the money in their hands; they don't want to depend on the stock market."

But Albert Dahan, manager of the investment department at Bank Leumi's main Jerusalem branch, said that no panic pervaded yesterday's transactions. At busy times of

the day, there were sizable lines, but the banks were open continuously until 7 p.m. to handle the flow of clients.

Bank clerks sought to provide concerned and confused clients with "information rather than advice," Dahan said.

In Tel Aviv, inquiries at several bank branches revealed no wave of urgency to redeem bank shares despite the plummeting global stock prices.

Still, some of those who cashed in shares acknowledged that the panic atmosphere in financial markets worldwide led them to disinvest.

One bank shares investor, who asked that his name not be used, said his decision to sell was based solely on the stock market collapse.

Other share holders were primarily influenced by their personal needs. "I decided I needed a car," said another bank shares holder. But he added that even if his automotive needs were not so pressing, he would cash in his certificates. "A period of two years in our economy is such a long time," he said. "I know that if it goes up, it also has to come down."

Even money-management experts acknowledged a sense of uncertainty. "Everyone is confused," said Jacob Werker, a certified public accountant with offices in Tel Aviv and Ramat Gan. "Whatever you do may be good or may be wrong. Nobody knows what to do with free money."

Werker said the fact that the price of bank shares fell about 6 per cent yesterday could be "some sort of a red light."

Although he concedes his expertise is not as an investment counselor, Werker advised clients to put money in real estate if they had a good opportunity.

Today, as Mark Twain once said, even those who did not decide have made a decision of sorts. So it was with Daniel Gabai, who went home without telling the bank that he would redeem his shares.

He left the bank muttering that the whole business was like Mifal Hapais, the state lottery

Billion shekel cut in budget needed

By AVI TEMKIN

Post Economic Reporter

About NIS 1 billion must be slashed from the budget for the next fiscal year in order to prevent negative economic trends and to maintain stability, the Treasury's new budget department head David Boaz said yesterday. He said the government deficit could go up by NIS 800 to NIS 900 million next year if adequate steps are not taken.

In a clear reference to government ministers, Boaz said that "all those concerned should know what the consequences of not cutting the budget will be." But he recognized that the coming fiscal year, an election year, will be a "very special one."

Boaz firmly stated that he was opposed to any suggestions of devaluation to solve the problem of ex-

ports' profitability. That would harm price stability, and such a step would be in opposition to the Treasury's policy, he said. He hinted that the Treasury will in the near future make a further reduction in the employers' National Insurance Institute contributions. But he also hinted that in the long run, the solution to the problem would be to reduce costs, especially wages, in the business sector.

Boaz revealed that the debt principal repayment in next year's budget will be over NIS 14 billion. He added that there a number of government decisions about budget cuts which have not been implemented, like the slash in the Education Ministry's budget and the cuts in subsidies for basic commodities. But the deficit has not increased since revenue has also gone up, he added.

Histadrut opposes top people's pay increase

Histadrut trade union department head Haim Haberfeld sharply criticized yesterday the planned 21 per cent pay rise for top-level state officials. This increase, according to the Histadrut, would give the officials an additional NIS 750 a month as compared to the NIS 75 wage rise recently awarded to public sector workers.

Haberfeld said he had called on Finance Minister Moshe Nissim to initiate moves to prevent these state officials from receiving more than NIS 75. The trade union leader added that it was not out of the question that Nissim and Histadrut Secretary-General Yisrael Kessar would table a joint bill in the Knesset next Sunday on this issue.

Three unions — the engineers, technicians and academics in the social sciences and humanities — yesterday sent a telegram to Nissim and Knesset Speaker Shlomo Hilel call-

ing on them to prevent the senior officials' "absurd wage increase."

At the trade unions' coordinating committee meeting, Haberfeld also reacted to the decision of eight professional unions to establish a new labour confederation.

He said the Histadrut had made every effort to meet these unions' needs and added that when Kessar returns from Europe at the end of the week, a decision will be taken on what forum should discuss this development. The Histadrut, he said, was saddened by the move.

Print workers at daily newspapers, meanwhile, received the committee's authorization to act on their declaration of labour dispute. This dispute, according to the print workers, follows the Journalists' Association's unwillingness to make an industry-wide agreement on the introduction of new technology and salary calculations.

PANIC

(Continued from page one)

in yesterday, the Treasury even considered at one point extending the deadline for notification by holders of bank shares.

In a related development yesterday, investors continued heavy selling of bank shares on the exchange, a step also thought to be linked to the fall in foreign markets. Offers of some \$100 million worth of bank shares arrangement were absorbed by institutional investors after dropping between 3-3.5 per cent. Contrary to previous expectations little intervention by the Bank of Israel was necessary to dry up the wave of sales.

Deputy Finance Minister Adi Amoral said that the psychological effect of foreign market events on Israel's stock exchange was unjustified.

"Our exchange is not integrated into the other stock exchanges of the world. We are almost completely separated. In world terms, we're 'a province,' and that's actually making it easier for us this time. But, of course, psychology is not for economists."

He added that the U.S. balance-of-payments deficit was largely a result of the American budget deficit. "When America begins to clean up its own house, it is likely to influence the Israeli economy," said Amoral. That house cleaning could affect U.S. aid to Israel, he said.

"Our dependency on international trade is causing us great anxiety over what happens in other countries — their growth and inflation rates and their balance-of-payments."

TOKYO (AP, Reuter). — Asian stock markets plunged further yesterday as panicky investors, their nerves shattered from Wall Street's record-breaking slide, scrambled to bail out.

The Tokyo stock exchange, the world's largest, suffered a record 3,836-point decline to end at 21,910, representing a 14.9 per cent drop in value. The previous record one-day decline was set in 1953.

In Sydney, the key share index dropped a phenomenal 515.6 points, or 24.9 per cent lower at 1,549 as brokers reported panic selling across the board.

Hongkong officials closed the market before it even opened for fear that nervous investors would push the index through the floor following the global free-fall in stock prices. The share market is due to open again next Monday.

Asian stocks plummet

"Without some government coordination and cooperation to stop this crash, it will be a very difficult situation," said a senior analyst at Tokyo's Nomura research institute.

But the Cairo stock market, the oldest in the Middle East, traded normally yesterday with dealers oblivious to the chaos in share markets across the world.

"Is there a crisis in world stock markets?" broker Nassef Guirguis asked.

"Our stock market is unique. Companies in Egypt are not listed anywhere in the world... Any recession around the world will not affect us," said Guirguis.

There were so few buy orders on

the Tokyo exchange, the largest in the world in terms of total share value, that the day's first deal did not occur until about 25 minutes after the market opened.

Despite a continuing flurry of hand signals indicating sell orders, the floor was eerily silent because traders were not shouting out completed deals as usual.

There was simply no one who wanted to buy, one dealer said.

The market had been booming for months, attracting thousands of individual investors who sought better returns than offered by Japan's low-interest bank accounts. So housewives who had put their savings into

stocks were as worried as the big

brokers. Hiroshi Kobayashi, a stockholder who works for a Tokyo research company, said as he watched the market floor at the exchange, "I'm very worried. I came over in the middle of work to see what was happening."

Japanese premier Yasuhiro Nakasone tried to calm things down by saying: "We must watch things a little longer. New York is down 22 per cent, London 10 per cent, while compared to this Japan is seven per cent down." But soon after he said it, the Tokyo market slumped again to its record drop.

In Hongkong, some brokers bailed the decision to suspend trading until next Monday as a needed step to let the market settle down.

"It was a very wise move," said George Tan, assistant director at Greenwell Montagu (Far East) Ltd. "Hongkong is a volatile market and this will let things settle down."

Yesterday afternoon, the Japanese finance ministry asked Tokyo's big four securities companies to help calm the panic.

Ministry officials did not elaborate on what measures they had suggested, but said they could involve encouraging some stock buying.

The ministry officials said the sharp stocks decline in Tokyo was mainly due to psychological factors.

"The market will soon calm and recover its losses," a senior official said.

Chopper service in Haifa

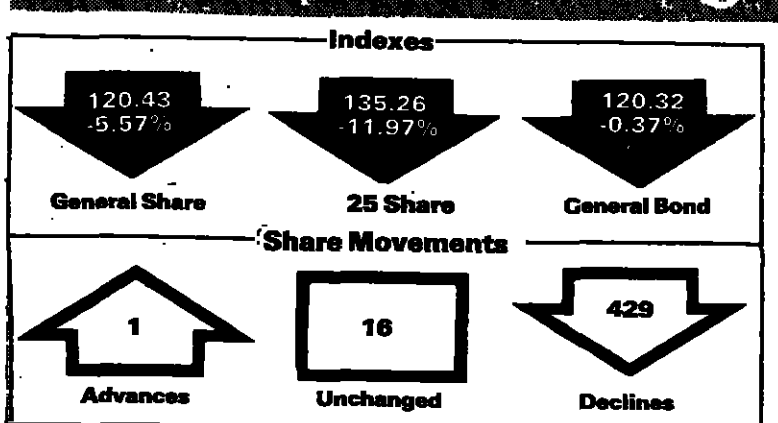
HAIFA. — A new, helicopter-borne airline was inaugurated in Haifa port yesterday morning, when three choppers landed to take 12 cruise ship passengers on a whirl tour of Israel's major sights.

At the cost of \$400 each, the travellers, who were among the 550 passengers on the m.s. Pacific Princess on a two day visit here as part of a Mediterranean cruise, were lifted out of the port at eight in the morn-

ing to visit Nazareth, Capernaum, Jerusalem and Massada, landing at each site.

They returned at five in the afternoon, well in time for the ship's midnight sailing.

Tel Aviv Stock Exchange



Selected Prices

		NIS change			
Commercial Banks					
(part of arrangement)					
OHF	20475	25	-10.0		
Meritane 0.1	n.l.				
General non-arr.	14888	415	-10.0		
Flint	9480		-5.0		
Commercial Banks					
(part of arrangement)					
IDF	89180	8404	-3.5		
Union 0.1	77285	2728	-3.5		
Discount	100000	8173	-3.3		
Mitrabi	40000	17288	-3.7		
Flint	95400	82562	-3.2		
General A	177700	810	-3.2		
Leumi 1000	42920	42030	-3.1		
Pan. Trade	58825	545	-3.2		
Mortgage Banks & Finance					
Leumi Mort. r.	9108		-6.0		
Dev. Mort.	2451		-6.0		
Wishman r.	2421		-6.0		
Tefshor r.	19082	445	-10.0		
Mikav r.	7724		-6.0		
Leumi Ind.	13200		-6.0		
Call Lending 0.1	21208		-6.0		
Investment Companies					
Wolfson I r.	115000		-4.2		
Haspolim Inv.	532	27380	-10.0		
Wolfsberg	12050		-6.0		
Pan Invest.	2603		-6.0		
Parmis 0.1	9313		-6.0		
Pryor	13822		-6.0		
Yisram	171		-6.0		

